

DAI-ICHI LIFE VIETNAM FUND MANAGEMENT COMPANY LIMITED  
DFVN

**DRAFT**

English version for reference

# **FUND CHARTER**

## **DFVN CAPITAL APPRECIATION FUND** **(DFVN – CAF)** **Amendment, supplement No.4**

**... 2025**

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# I. LEGAL BASE

This Charter is made in accordance with the following legal documents

- Law on Securities No. 54/2019/QH14 promulgated by the National Assembly of Socialist Republic of Vietnam on November 26<sup>th</sup>, 2019 (“**Law on Securities**”);
- Law No. 56/2024/QH15 of the National Assembly of the Socialist Republic of Vietnam, dated November 29, 2024, amend Law on Securities, Accounting Law, Law on Independent Audit, Law on the State Budget, Law on Management and Use of Public Property, Law on Tax Administration, Law on Personal Income Tax, Law on the National Reserve and Law on Administration Violation Handling (“**Law No. 56/2024/QH15**”);
- Decree No. 155/2020/ND-CP dated December 31<sup>st</sup>, 2020 of Government stipulating in detail the implementation of a number of articles of the Law on Securities (“**Decree 155**”);
- Circular No. 99/2020/TT-BTC dated November 16<sup>th</sup>, 2020 of Ministry of Finance guiding the operation of Fund Management Company (“**Circular 99**”);
- Circular 98/2020/TT-BTC dated November 16<sup>th</sup>, 2020 of Ministry of Finance guiding the operation and management of Investment Fund (“**Circular 98**”);
- Circular 198/2012/TT-BTC dated 20<sup>th</sup> January, 2016 of Ministry of Finance guiding the accounting regime applicable to Open-ended Fund (“**Circular 198**”);
- Circular 102/2021/TT-BTC dated November 17<sup>th</sup>, 2021 of Ministry of Finance guiding prices of securities-related services applied at securities business organizations and commercial banks joining Vietnam securities market; (“**Circular 102**”); and
- The other relevant legal regulations including amendment, guidance, replacement of above documents at any point of time.

# II. DEFINITION

Unless otherwise regulated by the context, the following words and phrases shall have the meaning as defined below

“Fund or DFVN-CAF Fund”	Means DFVN Capital Appreciation Fund, which is the kind of Public fund - in the form of Open-ended Fund; and shall offer Fund Certificates to the public, is established in accordance with the Laws on Securities and Fund Charter.
“Fund Management Company” or “DFVN”	Means Dai-ichi Life Vietnam Fund Management Company Limited which is established under the License of establishment and operation No. 53/GP-UBCK issued by State Securities Commission (“SSC”) on February 10 <sup>th</sup> , 2014 (amended and supplemented from

time to time) and Business Registration Certificate No. 0312660770 issued by the Department of Planning and Investment of the Ho Chi Minh City, first issued on February 10, 2014 and registered for the 5th change on February 8, 2023. Dai-ichi Life Vietnam Fund Management Company Limited shall manage DFVN Capital Appreciation Fund and have rights and obligations as stipulated in this Charter.

“Supervisory Bank”	Means HSBC Bank (Vietnam) Limited (hereinafter “HSBC”) which is established under License No. 235/GP-NHNN issued by State Bank of Vietnam on September 08 <sup>th</sup> , 2008, Certificate of Custodial Operation Registration No. 05/GCN-UBCK issued by SSC on December 10 <sup>th</sup> , 2013 to carry out the following services (i) the safekeeping and custody of securities, legally ownership certificate, economics contracts, documents relevant to the Fund’s asset as well as to supervise the Fund’s activities; (ii) the supervision of Fund asset management carried out by the Fund Management Company and (iii) other services authorized by the Fund Management Company in accordance with the terms of the Supervision Contract. Decision No. 1070/QD-NHNN dated June 24, 2022 of the State Bank of Vietnam on adding operational content to the License of HSBC Bank related to "Supervising banking activities according to the law on securities". The rights and obligations of Supervisory Bank are provided in the Fund Charter and relevant Laws.
“Auditing firm”	Means the independent auditing firm, which is appointed by General Meeting of Investors, to conduct the annual audit of the Fund’s asset.
“Fund Charter”	Includes this document, the Appendices attached hereto and legitimate amendments and supplements (if any).
“Prospectus”	Means the document or electronic data disclosing accurate, truthful and objective information relevant to the offering and issuance of fund certificates of the Fund.
“Supervisory Contract”	Refers to the contract, which entered into between the Fund Management Company and the Supervisory Bank, approved by General Meeting of Investors of the Fund.
“Investor”	Means Vietnamese and foreign individuals, organizations which hold the Fund Certificate.
“General Meeting of	Refers to the General Meeting of Investors having voting rights,

Investors”	which is organized in a regular or extraordinary manner to approve important matters with respect to the Fund. The General Meeting of Investors is the highest authority of the Fund.
“Fund Representative Board”	Refers to those who represent investors are elected by the General Meeting of Investors to supervise, on behalf of the Investors, the operations of the Fund, the Fund Management Company and the Supervisory Bank.
“Charter Capital”	Means the total actual capital in cash contributed by the Investors at the time of initial public offering and listed in this Charter.
“Fund Unit”	Means the Charter Capital being equally divided after the initial public offering. The par value of the initial public offering is VND 10,000 per Fund Unit. Each Fund Unit represents for equal capital and profit in the Fund.
“DFVN-CAF Fund Certificate” or “Fund Certificate”	Means securities issued by the Fund Management Company on behalf of the Fund, in the form of book entries or electronic data, to certify the legitimate rights and benefits of the Investor on the asset and capital of the Fund in equivalent to number of Fund Units held by such Investor.
“The minimum Fund Certificate to maintain the account”	Means the balance of minimum Fund Certificates which are required to maintain the operation of the Trading Account of the Fund Certificate (for checking redemption transaction and switching transaction).
“Subscription price”	Means the price in which the Investors shall pay to subscribe one Fund Certificate. Subscription price, as stipulated in Article 17, the Fund Charter.
“Redemption price”	Means the price in which the Fund shall pay the Investor to redeem one Fund Certificate. Redemption price, as stipulated in Article 17, the Fund Charter.
“The initial Subscription service price”	Means the fee in which the Investors shall pay to buy one Fund Certificate at the initial public offering. The initial Subscription service is calculated on the percentage basis per par value of Fund Certificate as provided in the Prospectus and the Fund Charter.
“The Subscription service price”	Means the fee in which the Investors shall pay to buy one Fund Certificate at the next trading sessions. This service price is charged for subscription and calculated on the percentage of trading value as provided in the Prospectus and the Fund Charter.
“The Redemption	Means the fee in which the Investors shall pay to sell one Fund

service price”	Certificate. The Redemption service price is subtracted from the trading value and deducted right after the Fund pays to the Investors, calculated on the percentage of trading value as provided in the Prospectus and the Fund Charter.
“Switching service price”	Means the fee in which the Investors shall pay to conduct the switch between the Open-ended Funds managed by the Dai-ichi Life Vietnam Fund Management Company Limited. Switching service price is calculated on the percentage of the switched value as provided in the Prospectus and the Fund Charter.
“Fund management service price”	Means the fee payable to the Fund Management Company that provides management services to the Fund as prescribed in Article 61, the Fund Charter.
“Fund Dividend”	Means the remaining profits of the Fund after the deduction of valid costs and shall be distributed in proportion to the holding of Investors as approved by the General Meeting of Investors.
“Financial year”	A year with the period is twelve (12) months, starting from the January 1st and ending on December 31 <sup>st</sup> of a calendar year. The first financial year of the Fund will be calculated from the day that the Fund is granted the License on the Fund establishment till the end of December 31 <sup>st</sup> of same year.
“Net Asset Value”	Means the total market value or fair value of assets (if the market value is not available) of the assets and investments owned by the Fund minus the total value of liabilities payable of the Fund as of the date prior to the Valuation day.
“Valuation day”	Means the day on which the Fund Management Company determines the Net Asset Value of the Fund in accordance with provisions in the Law on Securities and the Fund Charter, including Transaction day or other days in which the Net Asset Value of the Fund is determined for the reporting purpose .
“Transaction day”	Means the day on which the Fund Management Company, on behalf of the Fund, subscribes and redeems the Fund Certificates.
“Cut-off Time”	Means the last point of time when the Distribution Agent receives Trading Order from the Investor for implementation on Transaction day.
“Distribution Agent”	Means the organization that has signed a contract with the Fund Management Company .
“Omnibus Agent”	Means Distribution Agent named of nominee Account , to conducts Fund Certificate trading on behalf of the Investors named

	in Subsidiary ledger.
“Transfer Agent”	Means the organization authorized by the Fund Management Company provide the following services : <ul style="list-style-type: none"> <li>(i) Prepare and manage the Main ledger; open, monitor and manage the system of Investor accounts, Nominee Account; certify the ownership of the Fund Certificate;</li> <li>(ii) Record Buy, Sell, Transfer Orders of Investor; transfer the ownership of the Fund Certificate; update the Main ledger;</li> <li>(iii) Assist the Investor to exercise the rights associated with their ownership of the Fund Certificates;</li> <li>(iv) Maintain the contact channel with the Distribution Agent, the Omnibus Agent;</li> <li>(v) Conduct the other activities in accordance with the Laws;</li> </ul>
“Trading Account”	Means the account through the Investor buys, sells, and owns certificates of one or more open-ended funds managed by the Fund Management Company. The open-ended fund certificate trading account is opened and managed by the Distribution Agent in cooperation with the transfer agent service provider. There are two types of this account: <ul style="list-style-type: none"> <li>a. “Investor’s account” means an account owned by and opened in the name of the Investor;</li> <li>b. “Nominee account” means an account that is owned by Investors in the Subsidiary ledger and opened in the name of the Omnibus Agent. This account is divided into separate and independent sub-accounts corresponding to each investor named in the Subsidiary ledge</li> </ul>
“Related service providers”	To be custodian bank or Vietnam Securities Depository and Clearing Corporation that is authorized by the Fund Management Company to provide one or several services of investment fund administration, transfer agent
Law	Means the Vietnam’s legal regulation
“Systematic Investment Plan” (SIP)	Means the plan in which the Investor may register to conduct investment activities at a regular interval, such as: monthly or quarterly or others as stipulated from time to time; in order to implement the long-term accumulation in the easy, convenient manner. This plan shall be activated after the initial public offering

“Other definitions” from time to time as disclosed by the Fund Management Company.  
Other definitions (if any) shall be construed as prescribed in the Law on Securities and relevant legal documents.

# CHAPTER I

## GENERAL PROVISIONS

### **ARTICLE 1. NAME AND CONTACT ADDRESS OF DFVN-CAF FUND**

The Fund's name in Vietnamese : Quỹ Đầu tư Tăng trưởng DFVN  
The Fund's name in English : DFVN Capital Appreciation Fund  
Abbreviated name : DFVN-CAF  
Address : Floor 11<sup>th</sup>, 149 – 151 Nguyen Van Troi, Ward 11, Phu Nhuan district, Ho Chi Minh City  
Telephone : (84-28) 3810 0888 Fax: (84-28) 3844 9835  
Website : <http://dfvn.com.vn>

### **ARTICLE 2. OPERATION PRINCIPLE OF THE FUND**

- 2.1 DFVN Capital Appreciation Fund (“DFVN-CAF Fund”) is one the kind of Public fund - in the form of Open-ended Fund, in accordance with the Vietnam Laws.
- 2.2 DFVN-CAF Fund has the indefinite operation term.

### **ARTICLE 3. THE TOTAL OF CONTRIBUTED CAPITAL AND THE QUANTITY OF OFFERED FUND CERTIFICATES**

- 3.1 The Charter Capital of the Fund for initial public offering is VND 75,121,600,000 (Seventy five billion one hundred twenty two one million six hundred thousand dong). This capital is divided into 7,512,160 (Seven million five hundred twelve thousand one hundred sixty) Fund Certificate, with the par value per Fund Certificate is VND 10,000.
- 3.2 The contribution by the Investor will be paid in Vietnam dong by bank transfer to the account of the Fund, which is opened at the Supervisory Bank.
- 3.3 The Fund does not limit the quantity of Fund Certificates for maximum issuance unless the General Meeting of Investors has another decision.
- 3.4 Any changes on the maximum contributed capital or maximum quantity of Fund Certificates need the approval of the General Meeting of Investors and must notify to SSC.

### **ARTICLE 4. APPOINTMENT OF REPRESENTATIVE FOR CAPITAL RAISING AND THE FUND CERTIFICATE OFFERING**

- 4.1 Dai-ichi Life Vietnam Fund Management Company Limited (“DFVN”) is appointed by DFVN Capital Appreciation Fund to be the sole representative for capital raising and Fund Certificate issuance.
- 4.2 The legal representative of DFVN is appointed to be representative for capital raising and Fund Certificate offering.

## ARTICLE 5. FUND MANAGEMENT COMPANY

The name in Vietnamese:	<b>CÔNG TY TNHH MỘT THÀNH VIÊN QUẢN LÝ QUỸ DAI-ICHI LIFE VIỆT NAM</b>
The name in English:	DAI-ICHI LIFE VIETNAM FUND MANAGEMENT COMPANY LIMITED
Abbreviated name:	DFVN
License of establishment and operation:	No. 53/GP-UBCK granted by SSC dated February 10 <sup>th</sup> 2014 (amended and supplemented from time to time) and Business Registration Certificate No. 0312660770 issued by the Department of Planning and Investment of the Ho Chi Minh City, firstly issued on February 10, 2014 and registered for the 5 <sup>th</sup> change on February 8, 2023.
Head office address:	Floor 11 <sup>th</sup> , 149 – 151 Nguyen Van Troi, ward 11, Phu Nhuan district, Ho Chi Minh city
Telephone:	(84-28) 3810 0888 - Fax: (84-28) 3844 9835

## ARTICLE 6. SUPERVISORY BANK

The Bank name:	<b>HSBC Bank (Vietnam) Limited</b>
License of establishment and operation:	No. 235/GP-NHNN issued by State Bank of Vietnam on September 08 <sup>th</sup> , 2008 Certificate of Custodial Operation Registration No. 05/GCN-UBCK issued by SSC on December 10 <sup>th</sup> , 2013 to carry out the following services (i) the safekeeping and custody of securities, legally ownership certificate, economics contracts, documents relevant to the Fund's asset as well as to supervise the Fund's activities; (ii) the supervision of Fund asset management carried out by the Fund Management Company and (iii) other services authorized by the Fund Management Company in accordance with the terms of the Supervision Contract. Decision No. 1070/QD-NHNN dated June 24, 2022 of the State Bank of Vietnam on adding operational content to the License of HSBC Bank related to "Supervising banking activities according to the law on securities".
Head office address:	The Metropolitan, 235 Dong Khoi street, Ben Nghe ward, district 1, Ho Chi Minh city

## **CHAPTER II**

# **REGULATIONS ON INVESTMENT OBJECTIVE, POLICY AND RESTRICTION**

### **ARTICLE 7. INVESTMENT OBJECTIVE**

DFVN-CAF Fund provides the Investors with asset and capital appreciation and aim to outperform the Vietnam stock market (VN-Index) as benchmark in the long term by investing mainly in a diversified portfolio of listed equities on Vietnam securities market.

### **ARTICLE 8. INVESTMENT STRATEGY**

#### **8.1 Investment Strategy**

The DFVN-CAF Fund will invest into a diversified investment portfolio including listed equity with large market cap on Vietnamese securities market.

The selection of sectors and companies is executed based on the basis of evaluating value style, fundamental analysis and assessment on market sectors.

Conditions for company selection as follows:

- Leading positions in its sectors
- Strong financial situation
- Strong cash flow or good and high quality asset base
- Good corporate governance

#### **8.2 Intended investment areas and businesses**

The main investment areas of DFVN-CAF Fund shall concentrate on the listed equity on Vietnam Stock Exchange, the equity about to be listed and the shares of the equitized corporation.

#### **8.3 The investable assets of the Fund**

- a) Term deposits at commercial banks in accordance with the Laws on banking;
- b) Money market instruments include valuable paper, negotiable instrument in accordance with the relevant Laws;
- c) Government debt instruments, Government guaranteed bonds, municipal bonds;
- d) Listed shares, shares registered for trading, listed bonds listed on the Stock Exchange, public fund certificate;
- e) The shares which are offered for initial public, bonds which are offered for public, corporate bonds privately issued by listed organizations for which payment guarantee is

provided by credit institutions or commitment of buying back is performed by the issuers at least once in twelve (12) months and at least thirty percent (30%) of the issue value for each time of buying back. In case of investments in these assets in this point; there are following conditions to be satisfied:

- The Representative Board has provided written consent to the class and code of the securities, the quantity and value of the transaction, and the time for implementation;
  - There is adequate proof that payment guarantee is provided by credit institutions or the issuing organization has the
- f) Derivative securities listed, traded on the Stock Exchange and with the sole objective of avoiding risks for the basic securities which the Fund is holding;
- g) The rights that may arise in connection with securities being held by the Fund.

#### 8.4 Investment Structure

Investment assets	Allocation (% of The Fund Net Asset Value)
Equity	50% - 100%
Short Term Deposit (*)	0 - 49%
Cash on current account of the Fund at the Supervisory Bank	The remaining asset value after investing the above two (02) asset types

(\*) Maximum 3-month term deposits; only approved investment grade banks by the Fund Representative Board.

### ARTICLE 9. INVESTMENT RESTRICTION

9.1 The capital and asset of the Fund for the investment activities shall satisfy the following conditions:

- a) The investment portfolio structure of the Fund includes the securities of at least six (06) issuing organizations;
- b) Except for the cash on current account of the Fund at Supervisory Bank, no more than 49% of the total asset value of the Fund in the assets prescribed in Article 8.3 (a), (b) of Fund Charter.
- c) No more than 20% of the total asset value of the Fund is invested in the outstanding securities and the assets (if any) prescribed in Article 8.3 (a), (b) of Fund Charter of one issuing organization except Government debt instruments;
- d) No more than the 30% of the total asset value of the Fund in the assets prescribed in Article 8.3 (a), (b), (d), (e), (f) and (g) of Fund Charter, issued by the companies belong to group of owner related companies as following situations: the parent company, subsidiaries, companies owning more than thirty-five percent (35%) of each other's shares or contributed capital, group of subsidiaries with the same parent company, in which the

- part invested in derivatives by way of contractual global exposure in determined in accordance with Appendix XIV issued with the Circular 98;
- e) It is not permitted to invest in the securities of any one issuing organization in excess of 10% of the total value of the outstanding securities of such organization, except for Government debt instruments;
  - f) No more than 10% of the total asset value of the Fund is invested in assets prescribed in Article 8.3 (e) of Fund Charter;
  - g) The total value of large investment items in the investment portfolio of the Fund is not exceed 40% of the total asset value of the Fund; in which large investment items of the Fund are the items invested in the assets prescribed in Article 8.3 (b), (d), (e) and (g) (except Certificate of deposit) issued by the same organization with total amount equal or exceed five percent (5%) of the total asset value of the Fund
  - h) At any point of the time, the total global exposure of derivatives transactions, the loan balance of and items payable by the Fund must not exceed the net asset value of the Fund;
  - i) It is not permitted to invest in fund certificates of the Fund itself, the securities investment fund certificates, securities investment company shares managed by the Fund Management Company (DFVN);
  - k) It is only permitted to invest in other public fund certificates and a public securities investment company managed by another fund management company and ensure the following restrictions
    - Do not invest in more than 10% of the total outstanding fund certificates of a public fund, outstanding shares of a public securities investment company
    - Do not invest more than 20% of the fund's total asset value in fund certificates of a public fund or stock of a public securities investment company
    - Do not invest more than 30% of the fund's total asset value in public fund certificates or public securities investment company shares
  - l) It is not permitted to directly invest in real estate, precious stones and rare metals.
- 9.2 The Fund's investment structure is only allowed to exceed the investment restrictions specified in Articles 9.1 (b), (c), (d), (e), (f), (g) and (k) but the deviation must only be as a result of the following reasons:
- a) Fluctuation in market price of the assets in the investment portfolio of the Fund;
  - b) Due to payments being made by the Fund in compliance with the regulations including implementation of trading orders of investors;
  - c) Due to separation, consolidation, merger or acquisition activities of the issuing organization;
  - d) The Fund is newly licensed or as a result of fund separation, consolidation or merger the operation duration does not yet exceed six (06) months as from the date of issuance of the License or revised License of establishment of the Fund.
  - e) The Fund is within the duration of its being dissolved.

- 9.3 Within a time frame of three (03) months from the date of the deviation arises due to the reasons as stipulated in Article 9.2 (a), (b), (c) and (d) of this Fund Charter, the Fund Management Company is required to inform to SSC, have public disclosure and adjust the investment portfolio to ensure compliance with the investment restrictions as prescribed in Article 9.1 of the Fund Charter.
- 9.4 If the deviation due to that the Fund Management Company did not comply with the investment restrictions stipulated by the Laws or in the Fund Charter, then the Fund Management Company must correct the investment portfolio within a time frame of fifteen (15) days from the date of deviation found out and must compensate the losses for the Fund (if any) and bear all fees arising relevant to adjustment of the investment portfolio. If the deviation results in a profit, such profit must be immediately be accounted for as profit of the Fund.
- 9.5 Within five (05) working days from the date of completion of the adjustment of the investment portfolio, the fund management company must disclose information as regulated, and at the same time notify the State Securities Commission about the deviations of investment portfolio structure, causes, time of arising or discovering the incident, level of damage and compensation for the fund (if any) or profits created for the fund (if any), remedial measures, execution time, remediation results.
- 9.6 The Fund Management Company is only permitted to invest in deposits and money market instruments prescribed in Article 8.3 (a), (b) at a credit institution on the list approved by the Fund Representative Board.

## **ARTICLE 10. LEDNING, BORROWING, REPO TRANSACTIONS, MARGIN TRADING**

- 10.1 The Fund Management Company is not permitted to use capital and assets of the Fund to provide loans or to provide guarantees for any loan, except for investment in deposits as prescribed in Article 8.3 (a) of the Fund Charter;
- 10.2 The Fund Management Company is not permitted to borrow in order to investment, except for a short-term loan according to banking regulations to cover necessary fees of the Fund or to make the payment of the Fund Certificate transactions for the Investors. The total value of short-term loans borrowed by the Fund must not exceed 5% of the Net Asset Value of the Fund at all times, and the maximum term of such a loan shall be thirty (30) days.
- 10.3 The Fund Management Company is not permitted to conduct margin trading (lending for the purchase of securities) for such Fund or any other organization or individual; is not permitted to use assets of the Fund to conduct short sales, lend securities.
- 10.4 DFVN-CAF Fund is permitted to conduct repo transaction of Government debt instruments in accordance with regulations of the Ministry of Finance on management of Government debt instruments transactions.

## **ARTICLE 11. INVESTMENT SELECTION METHOD**

### **11.1 Method of investment selection**

DFVN-CAF shall implement proactive investment strategies to seek, identify and select investment opportunities. According to macroeconomic studies, company analysis and market factor, the Fund shall develop an asset distribution model which is accordance with the Fund's investment objectives and is appropriate to market conditions at different stages. For each investment, the Fund shall focus on finding and exploiting investments that have attractive market value relative to its underlying value and have trend to gain in long term. The Fund also identifies the risks to its portfolio and takes measures to control them. As a result, the portfolio of the Fund includes high quality investment assets and can increase value through its proactive investment management strategy.

### **11.2 Method of stock selection**

The Fund shall invest mainly in listed companies with large market capitalization, high liquidity of leading companies, competitive advantages, potential long-term growth, good governance, transparency, good financial capacity and outstanding profitability. However, the Fund shall also allocate some of its assets to listed companies with although low capitalization and capitalization but to have a good valuation and a clear growth potential in the future.

The selection of stocks in the Fund's Portfolio is carried out in the following steps:

#### **Step 1: Top-down analysis to identify sectors having potential growth**

The Fund shall apply a top-down analysis method including macro analysis and sector analysis to select sectors with high growth potential. And then, the company with leading industry, goodness and distinct advantages is selected to analyze. The sector assessment shall help the Fund invest in sectors with growth potential.

#### **Step 2: Select a good quality company meeting the investment criteria**

- Large capitalization and liquidity, leading the market in the sector and capacity of business.
- Vision and capacity of the Management Board.
- Good governance policy, transparency.
- A healthy financial situation.
- Profitability is superior to other companies in the industry.
- Potential for long-term growth.

These criteria are evaluated based on the fundamental analysis of the company, through periodical financial documents and reports, direct interviews with the Board of Directors, the Management Board, customers, suppliers, threats from new competitors, competition among companies in the same industry.

In addition, the Fund also actively seeks companies not in the sectors identified in Step 1, but still meet the criteria for valuation, competitive advantage and criteria in Step 2 in order for a diversified and high quality portfolio.

**Step 3: Diversify the Portfolio**

Based on an analysis of basic indicators, potential growth of the company and industry, performance, business risk, financial risk, liquidity, etc., the Fund shall actively build up its portfolio. Diversification includes equity of companies in different sector.

**11.3 For structure and strategies for portfolio management, the Fund shall allocate assets on the following principles:**

- (i) Prioritize investment in a large proportion of stocks that meet the above criteria in basic economic sectors, sustainable growth and in accordance with the business cycle;
- (ii) The level of allocation to each share is higher (overweight) or lower (underweight) than the proportion of such stock in the benchmark index, together with rebalancing which shall be determined by the correlation between valuation and stock price, as well as the trend of the sector in terms of economic conditions. The market factors shall be considered.

## **CHAPTER III.**

### **INVESTOR, REGISTER FOR OWNERSHIP OF THE FUND CERTIFICATE, AND TRANSFER OF FUND CERTIFICATE**

#### **ARTICLE 12. INVESTOR**

- 12.1 The Investors of the Fund may be domestic and foreign individuals or organizations. Such investors shall not be liable or have any other obligations to Fund other than those within the number of Fund Certificate by them.
- 12.2 Organization investors shall include social, economic organizations recognized by the Law of Vietnam. Such organization investors shall appoint legal representatives to represent the number of Fund Certificates by them. Any appointment, removal or substitution of such representatives shall be notified in writing and signed by such authorized representatives.

#### **ARTICLE 13. RIGHTS AND OBLIGATIONS OF THE INVESTORS**

- 13.1 Investors shall be entitled to:
  - a) Rights as provided in Article 101 of the Law on Securities;
  - b) The right to be treated equally, each Fund Certificate creates equal rights, obligations and benefits to the holder;
  - c) The right to freely transfer Fund Certificates, except where the transfer is restricted in accordance with the provisions of Laws and the Fund Charter;

- d) Right to full access to periodic and extraordinary information about the Fund's operations;
  - e) Rights and responsibilities to participate in the General Meeting of Investors and exercise the right to vote in the form of either directly or through an authorized representative or remote voting (sending mail, fax, email, attending online conferences, electronic voting or other electronic forms);
  - f) The other rights as stipulated in the Fund Charter and the Laws;
- 13.2 Investors or groups of investors holding at least five percent (5%) of total outstanding fund certificates or a smaller ratio prescribed by the Fund Charter shall have the following rights:
- a) Access and extract minutes of meetings and resolutions of the Fund's Representative Board, annual financial statements and reports on the fund's operations made by the Supervisory Bank;
  - b) Request the Fund Management Company to convene an extraordinary General Meeting of Investors in the following circumstances:
    - There are grounds that the Fund Management Company or Supervisory Bank infringes upon Investors' rights, fails to fulfill its obligations, or makes decisions beyond its authority prescribed in the Fund Charter or supervision contract or delegated by the General Meeting of Investors, and thus causes damage to the Fund;
    - The term of office of the Fund Representative Board has expired for more than six (06) months without holding a new election;
    - Other cases prescribed in the Fund Charter.
  - c) Request the Fund Management Company and Supervisory Bank to provide explanations about issues concerning the fund's assets, management and trading of the fund's assets. Within 15 days from the receipt of the request, the Fund Management Company or Supervisory Bank must give a response to the requesting Investor.
  - d) Propose additional issues to the agenda of the General Meeting of Investors. The proposal shall be made in writing and sent to the Fund Management Company at least fifteen (15) working days.
  - e) Perform other rights and obligations as prescribed in the Fund Charter.
- 13.3 Investors or groups of Investors holding at least ten percent (10%) of total outstanding Fund Certificates shall have the right to nominate candidates to the Fund Representative Board. Nomination procedures shall be carried out in accordance with regulations laid down in the Law on Enterprises on nomination of candidates to Boards of Directors by shareholders or groups of shareholders holding at least 10% of total ordinary shares.
- 13.4 The request of the Investors or groups of investors mentioned in Clause 13.2, 13.3 of this Article must be made in writing and include full name, contact address, number of ID card, citizen's identity card, passport or another valid personal identification paper; name,

headquarters address, nationality, number of establishment decision or enterprise registration certificate of the investor that is an organization; the number of owned fund certificates and time of ownership of each investor, total fund certificates of the group of investors and their holdings in fund; requests and recommendations; grounds and reasons thereof. If an extraordinary General Meeting of Investors is requested as prescribed in Point b Clause 13.2 of this Article, the request must be accompanied by documents stating the reasons for the extraordinary General Meeting of Investors; or documents and evidences about violations committed by the Fund Management Company, Supervisory Bank, severity of the violation or about decisions issued beyond its authority specified in the fund's charter or supervision contract.

13.5 Investors shall have the following obligations:

- a) Comply with the Fund Charter, implement the decision of General Meetings of Investors;
- b) Fully pay the subscription amounts of the Fund Certificates as specified in the Fund Charter, Prospectus; and being only responsible for debts and other asset obligations of the Fund to the extent of the amount of Fund Certificates owned by Investors;
- c) The other obligations as prescribed in the Fund Charter and the Laws.

#### **ARTICLE 14. THE REGISTER OF INVESTORS**

14.1 The Fund Management Company implements itself or authorize Transfer Agent to prepare, manage, record and timely update Register of Investors (Main Ledger/Register), or authorize Omnibus Agent prepare and manage Sub-Ledger/Register, and certify the ownership of Fund Certificate to the Investors.

14.2 Register of Investors (Main Register and Sub- Register (if any)) shall comprise the following contents:

- a) The name, head office's address of the Fund Management Company; the name, head office's address of the Supervisory Bank, the full name of DFVN-CAF Fund;
- b) The information of Investor;
  - (i) For individual investors: Full names, numbers of valid ID card or Passports (for foreign investors) or another valid personal identification paper; Addresses,;
  - (ii) For institutional investors: Full names, abbreviated names, registered office addresses, numbers of establishment and operation licenses/enterprise registration certificates; Securities depository account number (if any);
- c) The number of investor's account, or the number of personal sub – accounts, attached with the number of omnibus accounts of the Omnibus Agent; securities trading codes (with respect to foreign investors)
- d) The number of fund certificates held; ownership rate;;
- e) The date of creating Main and Sub Registers; and
- f) The other contents as stipulated in the Laws and Transfer Agent after obtaining agreement of the Fund Management Company.

14.3 The Fund Management Company, Transfer Agent shall at any time have sufficient information about the ownership of each Investor, including those trading on nominee Account. Information about assets of Investors in Main Register of Investors shall be the evidence to confirm Investors' ownership of Fund Certificates. Investors' ownership shall be established at the time when information about investors' ownership is updated into Main Register.

## **ARTICLE 15. THE FUND CERTIFICATE TRANSACTION**

15.1 Within thirty (30) days from the effective date of certificate for Fund establishment registration, the Fund Management Company shall arrange the trading of fund certificates for Investors. The trading activities shall not be less than twice per month.

15.2 The trading frequency of the Fund:

- a) The Fund Certificate shall be traded once a week, on every Tuesday (“Transaction Day”).
- b) In case that Transaction Day is a public holiday of Vietnamese securities market or the date of trading suspension at the Stock Exchange under a decision of a competent state agency (this case is subject to decision of the Fund Management Company), the Transaction Day shall be forwarded to Tuesday (working day) of following week .
- c) The increase of trading frequency shall be publicly announced, updated, amended, supplemented in the Prospectus, report to the nearest meeting of General Meeting of Investors and update these amendments in the Fund Charter, notify to the Supervisory Bank and disclosed in accordance with Vietnam laws by the Fund Management Company. The decrease of trading frequency shall be approved by the General Meeting of Investors and ensure trading frequency not less than twice in a month.

15.3 The trading orders shall be sent to Distribution Agent which are announced in the Prospectus, the summary Prospectus or on the website of the Fund Management Company. In case of receiving an Investor's transaction order by phone, fax, online transaction order via internet or by other electronic media or transmission line, the Distributor/ Omnibus Agent must comply with the law regarding electronic transactions, at the same time, it must comply with the regulations published in the Prospectus

15.4 An Investor’s subscription order must be accompanied by valid documents certifying the Investor's payment made to the Fund’s account or shall be accepted after the Supervisory Bank has given a confirmation to the Fund Management Company, Distribution Agent or relevant service provider that it has received the full payment for Fund Certificates from the Investor or nominee Distributor. The confirmation of payment is conducted by in writing, emails or via Supervisory Bank's electronic information system approved by the Fund Management Company.

- 15.5 The Redemption Orders shall be conducted when the Investor has the sufficient Fund Certificates for redemption. Details on the Redemption Orders shall be stipulated on the Prospectus.
- 15.6 Fund Switching Orders are in the purpose to redeem Fund Certificates of this Fund and subscribe Fund Certificate of other Funds managed by the Fund Management Company, in case that these Funds allow switching regulations. Switching orders shall be executed with following principles:
- a) Redemption of existing Fund Certificates shall be executed prior to Subscription of Target Fund Certificates.
  - b) These orders shall be executed in the Transaction Day of equivalent Funds.
  - c) The Investors shall make payment of switching service price, bank transfer fee and tax (if any) in accordance with the regulations and not make payment of Subscription Service Price, Redemption Service Price for above orders as stipulated in Point a), b) of this Article.
- 15.7 The Transaction Orders shall be stipulated in detail by the Prospectus. The Transaction Orders which are received before Cut-off Time shall be executed on Transaction Day, if they are received after Cut-off Time shall be cancelled or executed on next Transaction Day subject to the regulation of the Prospectus.
- 15.8 Cut-off Time
- Means the last point of time when a Distribution Agent receives Trading Order from the Investor for implementation on Transaction Day.
  - Cut-off Time shall be 11h30 of working date prior to Transaction Day.
- 15.9 The method of payment: All payments for Subscription Orders shall be executed in the method of bank transfer to the Fund's account at the Supervisory Bank. Subscription Orders and payment of subscription amount can be executed by authorized person or other individuals, organizations other than Investor (the acceptance of Subscription Orders and payment of Subscription Orders whether is executed by authorized person or other individuals, organizations other than Investor shall be decided by the Fund Management Company and stipulated in detail by the Prospectus), in this case that Subscription Orders shall be required to specify the name, account number for fund certificate transactions or ID card or passport (for foreign investor) and subscription amount of Investors.
- 15.10 The Investors entitle to enter Systematic Investment Plan ("SIP"). The method of order placement, minimum amount, Cut-off Time, payment method, service price and other relevant regulations shall be stipulated in details by the Prospectus.

## **ARTICLE 16. PARTIAL REDEMPTION, SUSPENSION OF TRANSACTION ORDERS**

- 16.1 The Fund Management Company reserves the right to cover only a part of the redemption, switching orders made by Investors, Omnibus Agent in any one of the following cases:
- a) The total value of redemption orders (including redemption orders from switching transactions) minus the total value of subscription orders (including subscription orders from switching transactions) computing at the Fund Transaction Day is more than ten percent (10%) of the Net Asset Value of the Fund; or
  - b) If the execution of the entire trading orders the Investors made during the dealing cycle would result in the Net Asset Value of the Fund being dropped to below fifty (50) billion dong; or
  - c) The Fund Management Company is unable to calculate the Fund Net Asset Value at the Transaction Day due to objective reasons of market.
- 16.2 In case of partially-met transaction orders (Redemption Orders, Switching Orders) are occurred, the Fund Management Company shall apply pro-rata basis for all Investors. Redemption Orders, Switching Orders shall be executed according to the ratio between the total value of orders can be made and the total value of registered orders. In case that the remaining Fund Certificate is less than the minimum maintenance account as prescribed in the Prospectus, the Fund Management Company's right on behalf of the Fund shall automatically redeem and the Investor shall agree to sell all of remaining Fund Certificates at the subsequent Transaction Day under general regulations about price and transaction method or Investor registers for Redemption Orders, Switching Orders at the subsequent Transaction Day; at the same time, if necessary, the Fund Management Company shall have the right to decide whether to close the account of Investor after one (01) year in case that there are no transactions occurred to maintain the minimum maintenance account. In case that the remaining Fund Certificates is larger than the minimum maintenance account as prescribed in the Prospectus; Redemption Orders, Switching Orders for the remaining Fund Certificated shall be cancelled and the account of Investor shall be continued to maintain.
- 16.3 Should the case described in Point a) of Article 16.1 of the Fund Charter happened, in case that the Prospectus regulated, the Fund Management Company is allowed to extend the payment time but not exceed thirty (30) days after the Fund Representative Board approved from the Transaction Day.
- 16.4 The fund units transaction orders can be suspended on the occurrence of any one of the following events:
- a) The Fund Management Company is unable to redeem Fund Certificates as ordered due to force majeure;

- b) The Fund Management Company is unable to determine Net Asset Value of the Fund on the Transaction Day due to the trading suspension of any of securities in the Fund portfolio under the Stock Exchange's the decision; or
  - c) On the occurrence of other events as considered necessary by the SSC.
- 16.5 The duration of any suspension of Fund unit transaction shall not be longer than ninety (90) days from the suspension transaction day.
- 16.6 The Fund Management Company must, within thirty (30) days from the end of trading suspension as prescribed in Article 16.4, convene the extraordinary General Investor Meeting to get their opinions and vote for either the dissolution or spinoff, or extension of trading suspension period of the Fund.
- 16.7 Should the reasons causing the fund trading suspension cease to happen during the time the Fund Management Company is processing to hold the extraordinary General Investor Meeting, the Company can stop to do so.

#### **ARTICLE 17. INITIAL ISSUING FUND UNIT PRICE, SUBSEQUENT SUBSCRIPTION AND REDEMPTION FUND UNIT PRICES**

- 17.1 Initial issuing price is the price the investors have to pay for a fund unit during the Fund initial public offering (IPO), at the par value plus Subscription Service Price.
- 17.2 The subscription price per fund unit going forward (post-IPO) is the Net Asset Value per fund unit as at the nearest Transaction Day after submission of Subscription Orders from the Investors plus Subscription Service Price.
- 17.3 The redemption price per fund unit is the Net Asset Value per fund unit as at the nearest Transaction Day after submission of Redemption Orders from the Investors minus Redemption Service Price.

#### **ARTICLE 18. THE SYSTEMATIC INVESTMENT PLAN/PROGRAM ("SIP")**

- 18.1 The investors can sign up the SIP by filling in the SIP application form. With SIP, Investors can automatically make investment into the Fund on regular basis, minimizing paperwork and enjoying preferential fees.
- 18.2 Joining SIP, Investors agree to the Terms and Conditions set out by the Fund Management Company. The SIP's details shall be specified in the Prospectus from time to time.
- 18.3 SIP provides flexible investment term and interval. Investors can choose the SIP with monthly or quarterly or other investment intervals as specified by the Fund Management Company from time to time. The Investors can change the investment interval and the amount by registering updates in written with their service distributors.
- 18.4 Regarding SIP payment, the investors can choose either to write payment order at each due date or use the auto debit or standing bank instruction.
- 18.5 The SIP shall be activated by the fund management company after the Fund's IPO and incorporation, as specified in the Prospectus.

18.6 The name and/or the terms and conditions of the SIP can be modified and specified in the Prospectus from time to time, and in such a case, not necessarily have the Fund Charter changed.

#### **ARTICLE 19. NON-COMMERCIAL TRANSACTIONS**

19.1 Transferring of fund certificate ownership in the case of present, gift, inheritance etc. must comply with Laws.

19.2 In the case of inheritance, Fund only accepts the legitimate inheritor and does not take any responsibility with lawsuits relating to inheritance and inheritor. The Fund Management Company or the Supervisory Bank will register a legal inheritor in the Register of investors after the inheritor has provided

19.3 The detailed procedure of transferring the ownership of Fund Certificate shall be stipulated in the Prospectus.

#### **ARTICLE 20. SOLUTION FOR THE FUND'S LOSS PROBLEM**

The Fund Certificate value and income (if any) from investing in the Fund may increase or decrease. In case, the Net Asset value falls below 30 billion VND, the Fund Management Company must report to the State Securities Commission and propose the recovery plan.

## **CHAPTER IV**

### **GENERAL MEETING OF THE INVESTORS**

#### **ARTICLE 21. GENERAL MEETING OF INVETSORS**

21.1. The General Meeting of Investors is the highest authority of the Fund and all Investors named in the Register of Investors prior to the convention of such meeting shall be entitled to attend such meeting.

21.2. The annual meeting of the General Meeting of Investors shall be held within four (04) 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. The General or Extraordinary Meeting of Investors shall be held in the form of centralized or the not-centralized meeting by collecting Investor's opinions or attending/ voting via online meeting, e-voting or other electronic methods in accordance with the prevailing Laws. The General Meeting of Investors in the form of not-centralized meeting may be implemented via documents, emails, electronic voting or other electronic methods in accordance with current legal regulations.

- 21.3. The General Meeting of Investors is not permitted to be held in the form of collecting opinion from the Investors to approve the following matters: (i) the basic changes on investment policy, investment objective of the Fund; (ii) changes in service price payable to the Fund Management Company, the Supervisory Bank; (iii) any change of the Fund Management Company, the Supervisory Bank and separation or merger or consolidation or dissolution of the Fund,; (iv) other cases required to holding the meeting to get opinion of Investors by the Laws.
- 21.4. The first meeting General Meeting of Investors may be convened by the Fund Management Company and held prior to the first Fund Certificate Transaction Day. The expenses of the annual and first meeting of the General Meeting of Investors are paid by the Fund.
- 21.5. The extraordinary General Meeting of Investors shall be convened in the following circumstances:
- a) The Fund Management Company, or the Supervisory Bank, or the Fund Representative Board considers it necessary in the benefits of the Fund; or
  - b) At the request of Investors or a group of Investors owning at least five percent (5%) the total of outstanding Fund Certificates
- 21.6. The extraordinary meeting as prescribed in Article 21.5 must be held within thirty (30) days from the date on which the Fund Management Company receives a request to convene such meeting.
- 21.7. In case the Fund Management Company refuses to convene the General Meeting of Investors as prescribed in Clause 21.6 of this Article, it shall assume legal responsibility to make compensation for any damage to the Fund. If the Fund Management Company continues refusing to convene the General Meeting of Investors as prescribed in Clause 20.6 of this Article, within thirty (30) following days, the Fund's Representative Board or Supervisory Bank shall convene the General Meeting of Investors on behalf of the Fund Management Company according to procedures as stipulated in this Fund Charter.

## **ARTICLE 22. RIGHTS AND OBLIGATIONS OF GENERAL MEETING OF INVESTORS**

- 22.1. Decisions on amendments or additions to the Fund Charter;
- 22.2. Decisions on basic changes in the investment policy, investment objectives of the Fund; changes in service price payable to the Fund Management Company, Supervisory Bank, any changes of the Fund Management Company, the Supervisory Bank;
- 22.3. Separation, merger, consolidation or dissolution of the Fund;
- 22.4. Profit distribution plan;
- 22.5. Appointment, dismissal or removal of the Chairman and members of the Fund Representative Board; decisions on the amount of remuneration and operational expenses of the Fund Representative Board;

- 22.6. Selection of an approved auditor to audit the annual financial statements of the Fund;
- 22.7. Passing reports on financial status and asset and annual operation of the Fund;
- 22.8. To consider and handle violations of the Fund Management Company, the Supervisory Bank and the Board of Representatives causing losses to the Fund;
- 22.9. To request the Fund Management Company and the Supervisory Bank to present books or transaction papers at the General Meeting of Investors ;
- 22.10. Other matters within authority of General Meeting of Investors as prescribed in Laws on Securities and the Fund Charter.

### **ARTICLE 23. CONDITIONS, PROCEDURE FOR HOLDING OF THE GENERAL MEETING OF INVESTORS**

- 23.1. The Fund Management Company shall publicly inform the Investors of time, agenda, the contents of the meeting of General Meeting of Investors and report to SSC at least seven (07) working days before the General Meeting of Investors about the agenda and related content as well as publicly disclose about the General Meeting of Investors, including reasons and objectives of the meeting.
- 23.2. The Investor may attend the General Meeting of Investor in person or via authorized attorney or in other forms, as followings.
  - a) Attend and directly vote at the meeting;
  - b) Authorize another person including but not limited to Fund Representative Board, Distribution Agents, to attend and vote at the meeting; the authorization for a representative to attend the General Meeting of Investors must be made in writing according to the form issued by the Fund Management Company. The person authorized to attend the General Meeting of Investors must present the authorization document when registering to attend the meeting before entering the meeting room Perform remote voting (mailing, fax, email, attending online conferences, voting electronically or by other electronic means) or; conference call, internet or other media methods;
  - d) Send voting sheet for meeting via post, fax, email or electronic methods.
- 23.3. A meeting of the General meeting of Investors shall be held when the number of investors attending represents 50% the voting sheet.
- 23.4. When the initial meeting does not take place because the conditions stipulated in Article 23.3 were not satisfied, then 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.
- 23.5. The form and manner of holding meetings of the General meeting of Investors shall be implemented in accordance with the Laws on Enterprises and Securities.

## **ARTICLE 24. ADOPTION OF THE DECISIONS OF THE GENERAL MEETING OF INVESTORS**

- 24.1. Each Fund Certificate shall have one right to vote equivalent to one voting number. The Supervisory Bank, Fund Management Company, auditing organization, law firm providing service to the Fund have the right to participate in the General meeting of Investors, but they cannot vote.
- 24.2. Decision of the General meeting of Investors would be adopted by voting or collecting the opinions in written or other votings stipulated by the Fund Charter from time to time.
- 24.3. The principal, content, order, procedure to collecting the opinions in written as mentioned in Article 24.2 is provided as followings:
- a. The Fund Management Company is permitted to collect the opinions of the Investors in written to adopt decisions of the General meeting of Investors at any time if it considers necessary for the benefit of the Investors, except for the cases as stipulated in Article 22.3 of this Charter.
  - b. The Fund Management Company has to prepare opinion sheet, the draft resolution of the General meeting of Investors and explanation documents. Opinion sheet attached to the draft resolution and explanation documents shall be sent via email or in the method of guarantee to registered email address or contact of each the Investor.
  - c. The Opinion Sheet shall have the main content as followings:
    - i. The name, address of head office, number, issue date, issue place of License of establishment of the Fund Management Company
    - ii. The purpose of collecting opinions
    - iii. Full name, contact address, nationality, number of valid ID card or Passport or personal identification of the individual Investors; Full name, number of enterprise or operation license of the institutional Investors; or Full name, contact address, nationality, ID Card/ Passport number of persons authorized by institutional Investors; quantity of Fund Certificate; and voting number of the Investor;
    - iv. The item needed to collect the opinions to adopt decision and voting plan including agreed, non-agreed and none comment vote;
    - v. The period of sending the questionnaire which has been answered to the Fund Management Company;
    - vi. Full name, signature of Legal representative of the Fund Management Company.
  - d. The answered opinion sheet must have the signature of individual Investor, legal representative or valid authorized person of institutional Investor, sent by direct mail, registered mail, email, fax or others electronic forms at the discretion of the Fund Management Company.
    - For mailing, the opinion sheet sending to the Fund Management Company must be placed in a sealed envelope and no one can open before checking the votes

- For email and fax, the opinion sheet sending to the Fund Management Company must be kept secret before checking the votes
  - The opinion sheets which have been sent to the Company after the period specified in the content of the opinion sheet or been opened in mailing or discovered in fax or email is not valid. The opinion sheet that is not returned is considered a vote that does not take part in voting.
- e. The Fund Management Company shall establish the Board of vote checking and prepare the Minutes of counting the vote under monitoring of the vote counting monitoring board including the Supervisory Bank and the Fund Representative Board member. The Minutes must include the following main contents:
- a) Full name, head office address, number and issue date, issue place of the establishment license of the Fund Management Company;
  - b) The date, time, location of counting votes
  - c) The purpose and the items needed to get opinions to adopt the decision;
  - d) The number of the Investors and total of votes, in which in the number of valid votes and invalid votes together with appendix of the list of Investor sending votes;
  - e) The total number of agreed, non-agreed and none comment votes for each item;
  - f) The matters were passed and the respective voting through rates
  - g) Full name, signature of Legal representative of the Fund Management Company, the person who supervised the counting of the votes and the person who counted the votes.
- f. The Board of vote checking and vote counting monitoring board shall be jointly responsible for the truthfulness, accuracy of the Minutes of counting votes; liabilities arising from decisions adopted due to untruthful and inaccurate counting of decision.
- g. The answered opinion sheet, Minutes of counting votes, the adopted resolution and relevant materials shall be filed at the head office of the Fund Management Company.
- 24.4. Except for the cases stipulated in Article 24.5, a decision of the General meeting of Investors shall be passed if receiving the approval of the number of investors attending represents over fifty percent (50%) votes of all participating Investors.
- 24.5. Resolutions of the General Meeting of Investors on the issues in Article 23.2, 23.3 of this Fund Charter shall be ratified by voting at the meeting. In this case, a decision at the meeting shall be ratified when it is voted for by a number of investors representing more than sixty-five percent (65%) of total votes of all participating Investors.
- 24.6. In case of collecting the opinions in written, a decision of the General Meeting of Investors shall be passed if receiving the approval of the number of Investors representing over fifty percent (50%) of the total of voting of Investors.
- 24.7. The Fund Management Company and the Fund Representative Board shall have the responsibility for reviewing to ensure that all decisions of the General Meeting of Investors are in accordance with the Laws and the Fund Charter. In case the decision of the General

Meeting of Investors is inconsistent with the provisions of Law and the Fund Charter, a meeting of the General Meeting of Investors must be held again to collect opinions or get written opinions of the Investors.

- 24.8. The Minutes and the Resolution of the General Meeting of Investors are disclosed on the information disclosure media of the Fund Management Company and the State Securities Commission in accordance with the provisions of Law.

## **ARTICLE 25. OBJECTION TO A DECISION OF THE GENERAL MEETING OF INVESTORS**

- 25.1. Any Investor who objects to a decision passed by the General Meeting of Investors on one of the items in Article 22.2, 22.3 has the right to require the Fund Management Company to redeem its Fund Certificates or to transfer such investor to another Fund of the Fund Management Company. A request to redeem Fund Certificates must be made in writing specifying the name, address of the Investor, the number of Fund Certificates, the reason for the redemption request or the request for transfer to another Fund managed by the Fund Management Company. The request from the Investor must be sent to head office of the Fund Management Company within fifteen (15) days from the date on which the General Meeting of Investors passed the decision on either of the above-mentioned items.
- 25.2. The Fund Management Company must, within forty-five (45) days from announcing the results of the General Meeting of Investors, complete redemption or switching of Fund Certificates for investors objecting to the decision of the General Meeting of Investors as prescribed in Article 25.1, for the requests sent to the Fund Management Company. In this case, the redemption price is determined on the basis of the Net Asset Value per Unit as of the latest Transaction day at the receipt of the Investor's request by the Fund Management Company and the Investor is not required to pay Redemption Fee, Switching Fee.

## **CHAPTER V**

### **THE REPRESENTATIVE BOARD OF THE FUND**

#### **ARTICLE 26. THE REPRESENTATIVE BOARD OF THE FUND**

- 26.1. The Representative Board of the Fund shall comprise from three (03) to eleven (11) members, of which at least two-thirds of the total number must be independent members. The Representative Board of the Fund represents investors and is elected at the meeting of the General meeting of Investors or in the form of investors voting by providing written opinions.
- 26.2. The tenure of Representative Board of the Fund is five (05) years and can be reassigned with unlimited times.
- 26.3. The Representative Board of the Fund must have:
- a) At least of one independent member with specialized qualifications and experiences in the sector of accounting and auditing;
  - b) At least of one independent member with specialized qualifications and experiences in the sector of securities investment analysis or asset management; and
  - c) At least of one member with specialized qualifications on the law.
- 26.4. If the structure of the Fund Representative Board or any one member no longer satisfies the conditions prescribed in Article 26.1 and 26.3, or if a member decides or is required to withdraw, within fifteen (15) days from the discovery of such event, the Fund Representative Board and the Fund Management Company are responsible to select a substitute member who satisfies the conditions prescribed in Article 26.3. The new member shall provisionally exercise the rights and discharge the obligations of the official member of the Fund Representative Board until the General Meeting of Investors officially appoints the new replacement member.

#### **ARTICLE 27. CRITERIA FOR SELECTION OF MEMBERS OF REPRESENTATIVE BOARD OF THE FUND**

- 27.1. The member of Representative Board of the Fund proposed by the Fund Management Company shall satisfy the following criteria as prescribed in Article 26.3 of the Fund Charter.
- 27.2. The Fund Representative Board is appointed and dismiss according to decision of the General Meeting of Investors. Each candidate must provide the proof that the individual meets the requirements as stipulated in the Fund Charter.
- 27.3. The independent member is the member who is not the relevant person of the Fund Management Company and the Supervisory Bank.
- 27.4. The following persons are not the member of the Representative Board of the Fund:
- The cases are followed by the legal regulation of enterprises and securities applied to member of the Board of Director and the Board of Director;

- Being the member of more than five (05) the Representative Board of public fund, the Board of Director of public securities investment company.

## **ARTICLE 28. RIGHT AND OBLIGATION OF REPRESENTATIVE BOARD OF THE FUND**

- 28.1. To represent the benefits of Investor, carry out the activities in accordance with provisions of the law to protect the interests of the Fund and Investor.
- 28.2. To approve the Fund's valuation policy of net asset value, the list of quote organizations and credit institutions according to the provisions of Article 9.6 of this Charter.
- 28.3. To approve the Fund's asset transactions according to its authorization with respect to assets permitted to be invested in the method of agreement in accordance with provisions of Laws.
- 28.4. To make decisions on the amount of profits to be distributed according to the profit distribution plan approved by the General Meeting of Investors; time of implementation, method and form of profit distribution; to make decisions on items on which there is a lack of uniformity as between the Fund Management Company and Supervisory Bank on the basis of provisions of law.
- 28.5. If the latest meeting of the General Meeting of Investors so authorized, the Fund Representative Board has power to make a decision on the items prescribed in from Article 21.2 to Article 21.10 of the Fund Charter. In this case, the Fund Management Company must fulfill the obligation to disclose information of Decisions of the Board of Representatives in accordance with regulations on information disclosure regarding
- 28.6. Have the right to require the Fund Management Company, the Supervisory Bank to promptly provide complete document, information about asset management activities and supervisory activities respectively.
- 28.7. When executing the rights and obligations, the Fund Representative Board shall comply with the provisions of the Laws, Fund Charter, decisions of the General Meeting of Investors. In case that the decision adopted by the General Meeting of Investors is contrary to the provisions of the Laws or Fund Charter and causes the damages to the Fund, the members approving such decision shall jointly bear the personal responsibility for this decision and compensate the Fund's damages, the members disapproving such decision shall be exempt from any liabilities.
- 28.8. To attend the meetings of Representative Board of the Fund and discuss (in person or via documents or emails) to decide the contents of the meeting.

- 28.9. To attend dismissal, removal, election of positions of the Fund Representative Board within authority of the Fund Representative Board in accordance with Article 25.4 of the Fund Charter.
- 28.10. The Fund Representative Board has the obligation of confidentiality and is not permitted to reveal to anybody.
- 28.11. The members of Fund Representative Board are entitled to remuneration quarterly. The amount of remuneration shall be submitted for approval by the Fund Management Company and approved by the General Meeting of Investors.

#### **ARTICLE 29. CHAIRMAN OF THE REPRESENTATIVE BOARD OF THE FUND**

The General Meeting of Investors shall elect the Chairman of Fund Representative Board. The Chairman of Fund Representative Board shall be an independent member. The rights and responsibilities of the Chairman of Fund Representative Board:

- a) To prepare working programs and plans of Representative Board of the Fund;
- b) To prepare programs, contents and documents of meetings of Representative Board; to convene and chair meetings of Representative Board of the Fund;
- c) To monitor the implementation of the decisions of Representative Board of the Fund;
- d) Other rights and responsibilities as stipulated in the Fund Charter.

#### **ARTICLE 30. PROCEDURES FOR MANAGEMENT OF REPRESENTATIVE BOARD OF THE FUND**

- 30.1. In the event that the Chairman of Representative Board of the Fund is absent or has lost his/her ability to perform assigned duties, an authorized member by the Chairman of Representative Board of the Fund shall perform the rights and duties of the Chairman of Representative Board of the Fund.
- 30.2. In case of the absence of such member, other members of Representative Board of the Fund 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 Representative Board of the Fund shall be carried out at the nearest annual meeting of the General Meeting of Investors.

#### **ARTICLE 31. SUSPENSION AND DISMISAL OF THE MEMBER OF REPRESENTATIVE BOARD OF THE FUND**

- 31.1. The member of the Fund Representative Board is automatically suspended or dismissed in the following cases:
- a) Being prosecuted for the criminal proceedings;
  - b) Being declared by the Court as missed, dead or incapacitated or of unsound mind;
  - c) Being prohibited from the holding the position of the member of the Fund Representative Board under regulations of the Law, SSC and the competent agencies;

- d) Resignation, death or end of term of appointment.  
Board of Representatives takes effect only from the date of the decision of the General Meeting of Investors on the dismissal of such member of the Fund Representative Board.

31.2. The member of the Fund Representative Board is suspended or dismissed in the following cases

- a) Being dismissed as the member of the Fund Representative when there is a decision of the General Meeting of Investors;
- b) Reveal the confidential information of the Fund;
- c) Not to participate in the activities of Fund Representative Board for six (06) consecutive months except for force majeure events;
- d) Make a serious breach of his/her obligation which may cause damages to the Fund;
- e) No longer satisfy the criteria and conditions as prescribed in Article 27 of the Fund Charter.

31.3. The procedure of suspension or removal of the members of the Fund Representative Board

- a) The Chairman of the Fund Representative Board, or the member of the Fund Representative Board appointed by the Chairman (in case that the Chairman is the offender) shall convene a meeting of the Fund Representative Board to consider the violations of the relevant members right after there is the occurrence of the breach and make the Minutes of violation signed by the offender and suspend the member of the Fund Representative Board.
- b) The member of the Fund Representative Board shall be suspended until there is the approval of the General Meeting of Investors at the latest meeting for dismissal of the member of the Fund Representative Board.

## **ARTICLE 32. THE MEETING OF THE REPRESENTATIVE BOARD OF THE FUND**

32.1. The Chairman of the Fund Representative Board shall the right to convene the meeting of Fund Representative Board. The meeting of Fund Representative Board shall be held at least once every quarter or in extraordinary meeting in case of necessity.

32.2. The meeting of the Fund Representative Board is held when there are at least two-thirds (2/3) of the members attending the meeting, in which the number of independent members must be a majority (over 50% of the members attending the meeting). The meeting of the Fund Representative Board can be direct, or via authorized attorney, internet and other audio-visual media or in the form of collecting the opinions in written. A decision of the Fund Representative Board shall be ratified when it is voted for by the majority of the members and the majority of the participating independent members.

32.3. The decision of the Fund Representative Board shall be passed via voting at the direct meetings, via conference call, internet and via audio-visual media or collecting the opinions in written or via e-mails. Each the member of the Fund Representative Board

- shall have one voting right. Members not directly attending the meeting have the voting rights to adopt by a written vote. The member of the Fund Representative Board is not permitted to authorize the person other than the member of the Fund Representative Board to exercise his/her rights and obligations at the meetings of the Fund Representative Board.
- 32.4. The Fund Management Company and the Supervisory Bank have the right to attend meetings of the Board of Representatives but not to vote.
- 32.5. The meeting of the Fund Representative Board shall be fully recorded in the Minutes. The Chairman and the Secretary shall be liable for the accuracy and the truthfulness of the Minutes. In case the chair and the secretary of the meeting refuse to sign the minutes, they will be effective if they are signed by all of other participating members and contain adequate information as prescribed. The minutes of the meeting of the Fund's Representative Board must be retained by the Fund Management Company in accordance with the Law on enterprise and the Fund Charter.
- 32.6. The expenses to hold the meeting, per diem (if any), remuneration for the Fund Representative Board shall be paid by the Fund. For the expenses to hold the meeting, per diem; the member of the Fund Representative Board has to present valid documents proving the expenses of the Fund.

## **CHAPTER VI**

### **THE FUND MANAGEMENT COMPANY**

#### **ARTICLE 33. CRITERIA FOR SELECTING THE FUND MANAGEMENT COMPANY**

The Fund Management Company being selected must satisfy the following conditions:

- a) Has been granted the license of fund management operation by the SSC;
- b) Not being the related person of the Supervisory Bank;
- c) Has fully capacity to provide the fund management service; and
- d) Agree to implement the commitments with the Fund as prescribed in Appendix 1 and Appendix 3 of the Fund Charter.

#### **ARTICLE 34. RIGHTS AND OBLIGATIONS OF THE FUND MANAGEMENT COMPANY**

- 34.1. The obligation of the Fund Management Company
- a) Comply with legal regulations and the charter of the Fund Management Company. Implement the management of the Fund as stipulated in the Fund Charter. Comply with the code of conduct, and ensure voluntariness, fairness and honesty and in the best interests of the Fund.

- b) The Fund Management Company is the authorized representative of the Fund to implement the ownership rights to the Fund's property in an honest and careful manner.
- c) In the management of the Fund's asset, the Fund Management Company shall:
  - i. Sign depository or supervisory contracts with the Supervisory Bank; custody all assets arising on the territory of Vietnam and completely, timely and accurately store data about ownership, the original legal documents verifying the property ownership in the Supervisory Bank;
  - ii. In case of investing the deposit or certificate of deposit for the Fund, the Fund Management Company shall only deposit in the credit institutions in the list approved by the Fund Representative Board; provide the sufficient information on the deposit contract, deposit account of the Fund for the Supervisory Bank to reconcile deposit account balance, value of deposit contracts with deposit receiving credit institutions.
  - iii. In case of investing capital contribution in limited liability company; unlisted shares or bonds; shares not registered for trading for the Fund; the Fund Management Company must perform depository of the original or valid copy of transaction contracts, transaction documents, or the original register of shareholders or the register of members or document certifying the ownership of assets in the Supervisory Bank to the organization for periodically reconcile with organizations receiving capital investment.
  - iv. Separate the asset of the Fund and Fund Management Company; adequately and timely store accounting books, transaction documents and other documents related to asset transactions and ownership of the Fund; fully, accurately and timely collect information about the asset of the Fund and places of asset custody and storage;
  - v. Establish a mechanism to regularly three-party check and examine to ensure the consistency of data of the Fund assets on the system of Fund' accounts managed in the Fund Management Company, the depository system of the Fund' accounts in Supervisory Bank with the issuing organizations, Vietnam Securities Depository and Clearing Corporation, the organization managing the register of shareholders, project owner, organizations receiving investment capital and the bank of deposit. The Fund Management Company shall establish a mechanism for custodian banks' active and direct examination with the above organizations to check, monitor, fully and accurately generalize information about custody, ownership registration and management of the Fund' assets.
  - vi. Invest the Fund' assets in accordance with legal regulations, the provisions in the Fund Charter;

- vii. Assign at least two (02) fund managers to manage the Fund. The fund managers mentioned above must have the Fund management practice certificate, practical experience in asset management activities of at least two (02) years and have not be fined for administrative violations in the field of securities and securities markets. Information on qualifications, specialty, professional service, asset management experience of the fund managers shall be disclosed in the prospectus.
- d) The Fund Management Company shall issue a reasonable and fair allocation process of transaction orders, transaction assets when trading for the Fund, entrusting customers and the Fund Management Company itself. Asset allocation procedures must indicate the allocation principles, valuation method and volumes of assets allocated to each trustor which must be conformable with investment objectives and level of risks accepted by each trustor. Procedures for allocation of trading orders and assets must be available to trustors, supervisory bank, depository bank and must be consistently applied.
- e) In the activity of fund administration, the Fund Management Company is responsible for ensuring:
  - i. Determine the Net Asset Value of the Fund; the Net Asset Value per unit as prescribed by the law, the Fund Charter.
  - ii. Create, maintain and update timely, fully and accurately the Register of Investors.
- f) The Fund Management Company is authorized to the Fund administration. The authorization of operations complies with the legal regulations on establishment and operation of the Fund Management Company and the Fund Charter.
- g) Fund Management Company is obliged to provide timely, fully the necessary information on transactions of Fund' assets, the place of depositing Fund' assets, and other relevant information (if any) and create necessary favorable conditions for the Supervisory Bank according to the written request of these organizations to for their fulfillment of the rights and responsibilities for the Fund in compliance with the law. At least once every one (01) months, the Fund Management Company is obliged to compare the list of assets of the Fund with the Supervisory Bank.
- h) Within fifteen (15) days from the date the Supervisory Bank discovers and informs the Fund Management Company about the Fund asset transactions contrary to the provisions or exceeding the authority of the Fund Management Company in accordance with laws, the provisions in the Fund Charter, the Fund Management Company shall cancel its transactions, or perform transactions to restore the Fund position. The Fund Management Company shall bear all costs incurred related to these transactions and the loss (if any). In case these transactions generate profits, all profits shall be accounted for the Fund.

- i) The Fund Management Company shall build and deploy consistent application of operational procedure, the valuation manual, accounting policy in accordance with the provisions of relevant laws and the Fund Charter.
- j) The Fund Management Company must establish a risk management system and issue a risk management strategy, policy and process suitable to the Company's organizational model, operational scale, and types of Funds. The risk management system, strategy, policy, and process of risk management are built based on international practices in accordance with Vietnamese market conditions and under the guidance of the SSC.
- k) The Fund Management Company is responsible for compensation for the loss caused to the Fund by its staff's fault, malfunction or error of technical systems and professional processes of the Company or by the Fund Management Company's failure to comply with its obligations under legal regulations, the Fund Charter. The compensation for the Funds, the Investors shall comply with legal regulations on the establishment and management of open-end funds and an agreement between the relating parties.
- l) The Fund Management Company shall purchase professional liability insurance for their staffs working in the securities trading department (when necessary), or set up a professional risk prevention fund as prescribed by laws to compensate for entrusting customer in the cases specified in Article 34.1 (k).
- m) The Fund Management Company has the responsibilities for executing, requesting the Distribution Agent, organizations providing related services, setting up systems and implementing the process of customer identification, customer information collection in accordance with the provisions of the anti-money laundering legislation and relevant legal regulations. When identifying customers, the Fund Management Company and Distributor are allowed to decide to meet face to face or not to meet face to face in accordance with the provisions and conditions of the Law
- n) Subject to the provisions of Laws, in case of the Fund being the foreign Investor, the Fund Management Company ensures the asset investment of the Fund compliance with the regulations on foreign exchange management, business ownership rate in Vietnamese companies in the time of investment.
- o) The use of the Fund's assets for outward indirect investments must comply with the provisions of law on outward indirect investments, foreign exchange management and other relevant laws. Outward indirect investments can only be performed if the Fund's Charter has a provision allowing it to be performed.
- p) When trading assets for the Fund, the Fund Management Company shall ensure that
  - i. The value of security transactions during the year through broker of a securities company shall not exceed 50% of the total value of security transactions in the year of the Fund; and

- ii. The value of security transactions during the year through broker of a securities company related to the Fund Management Company shall not exceed 20% of the total value of security transactions in the year of the Fund.
- iii. The regulations in this Point shall not apply to the Fund whose operating period counting from the issue date of the certificate of fund registration or the establishment and operation license to the end of the year in which the Fund or securities investment company is established is less than six (06) months, and open-end bond fund whose total trading value in the year is less than VND three hundreds (300) billion.
- q) The Fund Management Company is responsible for the security of the Fund information, information on asset transactions, the Fund portfolio and other relevant information, except the provision is made for the SSC and authorized State management agencies on demand.
- r) The Fund Management Company shall ensure
  - i. Separation of the head offices, information technology infrastructure with other organizations. Where the Fund Management Company uses information technology infrastructure of the parent company, subsidiaries or related organizations, the power separation and data confidential mechanism shall be applied, ensuring that the parts of the parent company, subsidiaries or related organizations do not have access to the Fund Management Company's computer system and a database;
  - ii. Separation of infrastructure, human and database between operations which have potential interest conflicts in the Fund Management Company, including the separation of the entrusted asset management operation; research operation, investment analysis and the investment operation. Computer systems and databases are decentralized to each individual, department, consistent with their position in accordance with the regulations of internal control.
  - iii. Separation of infrastructure, human and database between financial investment activities of the Company and securities investment fund management activities, securities investment portfolio management, securities investment consultancy
- s) The other obligations as stipulated in the laws on establishment and operation of the Fund Management Company.

#### 34.2. The right of the Fund Management Company

- a) To receive Management Fee and the others valid fees as stipulated in the Fund Charter, Prospectus, and the prevailing laws.
- b) To select the Supervisory Bank in accordance with the criteria as stipulated in Article 36 of the Fund Charter;
- c) To be permitted to authorize the Supervisory Bank and other organizations providing the services relevant to fund management to implement all or one part of the activity

of fund administration. The Fund Management Company shall be jointly responsible for authorization and ensure authorize relationship not causing the adverse effects on benefits of the Fund Investor.

- d) Have the right to refuse the Fund Certificate issuance to the organizations, individuals who are not allowed to invest in the Fund in accordance with the Laws and the Fund Charter; or the individual Investors not having full capacity for civil acts.
- e) Have the right to refuse the Fund Certificate issuance to the organizations, individuals who are not eligible for the conditions of Investor identification regulated by the Fund Management Company and the Laws;
- f) To act on behalf of the Fund to execute the rights, obligations for the assets owned by the Fund in accordance with the Laws;
- g) Have the right to decide the selection or cancellation of selection of the Distribution Agent, the Omnibus Agent of the Fund and decide to sign the Fund Certificate distribution agreements with the Distribution Agent and decide the fees payable to the Distribution Agent, the Omnibus Agent;
- h) Being permitted to implement the business, services in accordance with the Laws;
- i) To participate in the periodical and extraordinary meetings of the General meeting of Investors and the Fund Representative Board;
- j) To decide the investments of the Fund to the extent in accordance with the Fund Charter and the Laws;
- k) To approve amendment, supplement of Prospectus (except for amendments, supplements within approval authority of the General meeting of Investors and/or the Fund Representative Board);
- l) To request for the dissolution of the Fund as prescribe in Article 63 of the Fund Charter.

## **ARTICLE 35. TERMINATION OF RIGHTS AND OBLIGATIONS OF THE FUND MANAGEMENT COMPANY**

35.1. The Fund Management Company shall terminate its rights and obligations to the Fund in the following events:

- a) requested by the Fund Representative Board after obtaining approval from the General meeting of Investors;
- b) License on establishment and operation by the Fund Management Company is revoked;
- c) Voluntarily terminate the operation;
- d) Fund Management Company is merged/ consolidated with another fund management company.

35.2. Prior to the estimated time of terminating the rights and obligations applicable to the Fund at least six (06) months, the Fund Management Company shall hold the General meeting of

Investors to collect the opinions in written about the termination of rights and obligations applicable to the Fund.

35.3. Regulations on compensation fees when changing the Fund Management Company

In case that there is a change of the Fund Management Company as prescribed in Article 35.1(a) of the Fund Charter and such change not arising due to the violation of the Fund Management Company with the Laws, the Fund shall pay for the Fund Management Company a fee (in addition to the fees prescribed in the Fund Charter) in accordance with fees schedule as followings

<b>The time to replace the Fund Management Company</b>	<b>The charges on average the Net Asset Value in the 6 preceding months prior to the time to replace the Fund Management Company</b>
Within three (03) years from the date of the Fund establishment	2.0%
After three (03) years from the date of the Fund establishment	1.5%

The above expense is used to cover the expenses of the Fund establishment and incurred by the Fund Management Company as a result of reduction of its operation, changes in human resources, management system, and infrastructure when the Fund is transfer to other fund management companies.

**ARTICLE 36. RESTRICTION ON OPERATIONS OF THE FUND MANAGEMENT COMPANY**

36.1. The Fund Management Company shall not be an affiliated person or have the relationship on ownership or borrowing or lending with the Supervisory Bank, custodian bank of the Fund is managed by the Fund Management Company. Members of the the Members’ Council, employees of the internal audit division, the board of supervisors (if any), the president, the management board, staff of the Fund Management Company may not work in divisions which provide depository, fund supervision and management services in such banks and vice versa.

36.2. The Fund Management Company, the affiliate persons of the Fund Management Company are permitted to trade the Fund Certificates through the Transfer Agent and/ or the Fund Management Company as one normal Investor.

36.3. All securities transactions of members of the management board, staff of the Fund Management Company shall be reported to the internal control division prior to or immediately after such transactions have been conducted. Reports on above individual transactions shall include information on name of trading securities, quantity, trading prices, total trading value, trading time, trading methods, trading account numbers,

securities companies where trading accounts are opened. Reports on transaction of individuals shall be recorded and centrally managed at the internal control division and provided to the SSC upon request.

36.4. The Members of the members' council, the management board and staff of Fund Management Company are not allowed to ask for, demand or receive, in personal or corporate capacity, any compensation, profit or interest to the exclusion of service prices expressly described in the Fund Charter.

36.5. The Fund Management Company is not allowed to:

- a) To use assets of the Fund to invest in the Fund;
- b) To use assets of the Fund to invest in the other funds managed by the Fund Management Company;
- c) To use Fund assets to invest in the Fund Management Company itself; to invest in the organization which is a related person of the Fund Management Company; to invest in an organization that member of the board of management or the members' council, employees are shareholders or members owning more than ten percent (10%) of the Charter Capital.
- d) To use the Fund assets to be lent in any way, to secure loans in any way or to pay for obligations of the Fund Management Companies, their affiliated persons and other organizations and individuals. .
- e) Only use the Fund's assets to invest in derivative securities listed on the Stock Exchange for the purpose of hedging risks for underlying securities held by the Fund. For the investment of the Fund's assets, the company investing in derivative securities must comply with the provisions of the Law on securities investment funds
- f) To give judgment or guarantee to the Fund about the level of income or profit gained on the investment or ensure that the Fund will not lose money, except for investments in fixed income securities to sign investment trust contracts thereby to invest in bonds at an interest rate inconsistent with the real situation of the market and investment analysis results of fund management companies themselves; directly or indirectly, offset a whole or part of losses of entrusting customers resulting from investments;
- g) To effect transactions with a view to reducing profits of the Fund or an entrusting customers to increase profits of another fund or entrusting customer; to enter into any contract with or trade under terms and conditions to the detriment of the Fund
- h) The Fund Management Company is only allowed to use the owner's equity and capital of entrusting customers to purchase and hold (excluding shares included in the portfolio of such entrusting customers who are exchange-traded funds) equal or more than twenty-five percent (25%) of the total number of voting shares of a public company, outstanding closed-end fund certificates of a closed-end fund when ensure:

- (i) Obtaining written consent of the Fund Representative Board on a tender offer, the offer price, the volume of assets expected to acquire, the method for distributing assets after making a tender offer.
  - (ii) Fund management companies conduct tender offers in accordance with regulations on tender offer in the securities legislation.
- i) To delegate or outsource securities investment advisory and trust asset management services to organizations located within the territory of Vietnam.
- 36.6. The Fund Management Company shall comply with the investment restrictions in the operation of fund management as provided in Article 9 of the Fund Charter

## **CHAPTER VII**

### **THE SUPERVISORY BANK**

#### **ARTICLE 37 CRITERIA FOR SELECTION OF THE SUPERVISORY BANK**

- 37.1. The Supervisory Bank selected by the Fund Management Company must satisfy all the conditions prescribed in Article 116 of the Laws on Securities.
- 37.2. The Supervisory Bank must be independent and separate from the Fund Management Company to which its supervision services are provided.
- 37.3. If the Supervisory Bank fails to meet the requirements in Clause 1 Article 117 of the Law on securities and Clauses 1, 2 of this Article due to any events, it must notify the event to the fund management company and SSC within twenty-four (24) hours from the occurrence of that event.
- 37.4. Supervisory Bank must have at least two (02) operational staff with the certificated as prescribed in the laws on supervising the operation of the Fund.

#### **ARTICLE 38. THE RIGHTS AND OBLIGATION OF THE SUPERVISORY BANK**

- 38.1. The obligations of the Supervisory Bank include:
- a) To always act in the best benefit of the Fund Investors;
  - b) To be responsible for the damages to the Fund due to errors from the bank;
  - c) To ensure the supervision of the operation of the Fund Management Company in managing the Fund' assets in accordance with the Laws on Securities, the relevant regulations and the Fund Charter;
  - d) To provide the service of supervision, depository for the Fund in accordance with the relevant laws, Supervisory Contract and the Fund Charter;
  - e) To separate between of the asset of the Fund and Fund Management Company; the asset of the Fund and other funds, customers of the Supervisory Bank and Supervisory Bank itself;
  - f) To ensure and take full responsibility for the asset of the Fund when entrusting the subordinate custody;

- g) To supervise the calculation of the Net Asset Value of the Fund on a weekly basis in accordance with the laws and the Fund Charter to ensure that the calculation of Net Asset Value of the Fund is accurate;
- h) Handle the securities transaction in accordance with the valid instruction from the Fund Management Company. The Supervisory Bank may refuse the instruction if the Supervisory Bank has the reason to believe that the instruction is not legally or in accordance with the Fund Charter. The refusal must clearly state the reason, and be sent in written to the Fund Management Company, copied to the SSC.
- i) Regularly reconcile the Fund asset with the Fund Management Company;
- j) To pay reasonable and valid expenses of the Fund under the valid instruction of the Fund Management Company, ensuring that such expenses comply with the provisions of law and the provisions of the Fund Charter.
- k) To make the payment to the Fund Investors when the Fund Management Company redeems the Fund Certificates of the Investors, or when the Fund distributes income or liquidates, dissolves to make payment to the Fund Investors and other cases as provided in the laws, Fund Charter in accordance with the valid instruction from the Fund Management Company; in order to ensure that the payment is made in accordance with the Fund Charter.
- l) To separately record any changes on the number of outstanding Fund Certificates, the number of Fund Certificates owned by each holder of Fund Certificates, name, address, nationality and other identification factors and immediately update any changes (if any);
- m) To be responsible for certification of reports in respect to assets and operation of the Fund made by the Fund Management Company or organizations authorized by the Fund Management Company; reporting and management of information in accordance with the laws, the Fund Charter and Supervisory Contract;
- n) Not to receive any benefits (other than fees as prescribed in the Supervisory Contract) for itself or third party; and
- o) To comply with the other regulations of the Laws on Securities and the relevant regulations, Fund Charter and Supervisory Contract.

38.2. The rights of the Supervisory Bank include

- a) To be entitled to service fees as stipulated in Fund Charter, Prospectus and in accordance with the prevailing laws; and
- b) To attend the meetings of the Fund Representative Board, General meeting of Investors; and
- c) Other rights as stipulated in the prevailing Laws and regulation of Supervision contract.

## **ARTICLE 39. SUPERVISORY ACTIVITIES OF THE SUPERVISORY BANK**

- 39.1. The supervisory role is only limited to activities of the Fund Management Company relating to the Fund over which a bank exercises its supervisory function. In conducting supervisory activities, the Supervisory Bank must:
- a) Co-ordinate with the Fund Management Company in checking in internal rules on principles and methods for determining the Net Asset Value of the Fund; check and supervise determination of the Net Asset Value of the Fund; and ensure the Net Asset Value per unit is calculated correctly and accurately in compliance with laws and provisions in the Fund Charter.
  - b) Supervise investment activities and asset trading of the Fund, re-check to ensure that the invested assets and investment portfolio are conformable with regulations on investment limits, loan limits laid down in relevant laws and the Fund Charter and check and supervise trading of assets between the Fund on the one hand and the Fund Management Company and its related person on the other to ensure the conformity with regulation of the Fund Charter and the related Laws . The Supervisory Bank must immediately report any breach of law it detects to the SSC, and within 24 hours notify the Fund Management Company and require Fund Management Company to correct the mistake or take remedial action in respect to any breach of regulations;
  - c) Supervise the conduct of any consolidation, merger dissolution or liquidation of assets of the Fund, and check the results of any such process;
  - d) Supervise and ensure that expenses of the Fund are lawful and in accordance with the provisions in the Fund Charter, and only make payment of same from assets of the Fund;
  - e) Supervise that other activities of the Fund Management Company are within the scope of the fund management activities prescribed in Article 116 of the Laws on Securities, the related regulation, the document guiding the Laws on Securities and the Fund Charter.
  - f) Verify reports on NAVs, investments and investment portfolio of the securities investment fund or company, which are prepared by the Fund Management Company.
- 39.2. The Supervisory Bank must prepare, and archive for a period of ten (10) years, files and source vouchers both in the form of documents and electronic data files proving that the Supervisory Bank has supervised the role of the Fund Management Company in accordance with the laws. This data must be provided on written request by the SSC.
- 39.3. When receiving written request from the Fund Management Company, the Supervisory Bank shall promptly, adequately and accurately provide necessary information to the Fund Management Company and accredited audit organization so that they can fully perform their rights and obligations to the Fund in accordance with regulations of the Laws and the Fund Charter.

- 39.4. The Supervisory Bank is entitled to request the Fund Management Company to provide necessary and relevant documents and information, and information about issuers which the Fund invest in so that it can fully perform its rights and obligations to the Fund or securities investment company as prescribed by the Laws. The Supervisory Bank shall protect the confidentiality of all documents and information provided by the Fund Management company as prescribed by the Law.
- 39.5. The mechanism for cooperation between the Supervisory Bank and the Fund Management Company in reviewing operations of transfer agents shall be implemented according to the agreement between two parties whereby responsibilities of the Fund Management Company must comply with regulations of law.
- 39.6. The Fund Management Company may deposit the Fund money at any banks or other institutions from time to time as it deems appropriate, and the Supervisory Bank shall, upon receipt and according to the valid instruction from the Fund Management Company, place the deposit held by itself or under the instruction of the Fund Management Company to such banks or institution. Even though the conditions contained herein, the Supervisory Bank shall not be responsible for the safekeeping of deposits at such banks or institutions and have no liability for any losses incurred due to dissolution, bankruptcy or insolvency of such banks or institutions.
- 39.7. For the securities bought by the Fund or owned by the Fund but not yet deposited at the Supervisory Bank, the Supervisory Bank shall have the right to monthly verify that such securities are registered under the name of the Fund. If the Fund places the deposits at any other banks or institutions, the Supervisory Bank shall monthly verify such deposit. For this action, the Fund Management Company shall request the issuing organizations, the banks and the organizations in which the Fund placed deposit to send monthly confirmation. The Supervisory Bank reserves the right to rely on the confirmation of issuing organizations, banks and organizations having deposit and shall not be responsible for fraudulent or lawful acts or omissions of the issuing organizations, banks and organizations having deposit.
- 39.8. The services of Custody Bank and Supervisory Bank in relation to unlisted securities shall be limited to the services of receipt, transference and safekeeping of certificates in Vietnam, all of which shall be provided under the terms of the service contract. To avoid confusion, Custody and Supervisory Bank shall not be responsible for checking the validity and authenticity of any instruments, certificates or documents on the unlisted securities which can be in effect of misleading, illegal or incomplete acts of such organizations and shall not be held liable for such invalid or unenforceable action.
- 39.9. The Fund Management Company must pay compensation for loss to Investors then the Supervisory Bank must co-ordinate with the Fund Management Company to promptly and completely undertake payment procedures in accordance with lawful instructions from the Fund Management Company. The Supervisory Bank shall be jointly liable and must pay

compensation to investors and to the Fund for loss arising from its failure to fully and promptly supervise investment activities of the Fund, to determine the Net Asset Value of the Fund or discharge other supervisory activities of the Fund pursuant to the laws. The amount of compensation shall be subject to an agreement reached between the Fund Management Company and the Supervisory Bank in accordance with the civil law.

39.10. The Supervisory Bank shall not be responsible for valuating the assets or liabilities of the Fund but only responsible for the verification of the assets or liabilities valuation of the Fund implemented by the Fund Management Company. In addition, where any of the following circumstances for valuation or pricing is duly authorized pursuant to the Fund's legal constitutive documents (which include the Fund Prospectus, Fund Charter and any amendments, duly passed resolution of the Fund's Board of Representatives or General Meeting of Investors), notwithstanding such due authorization, the Supervisory Bank shall not be liable for the verification of a valuation of any assets or liabilities of the Fund under such circumstances

(i) The Supervisory Bank cannot independently value, or verify the value of, any such assets or liabilities of the Fund using at least two independent price sources;

(ii) The Supervisory Bank is directly by the Fund (or the Fund's Board of Representatives or General Meeting of Investors of the Fund) or the Fund Management Company to use particular automated pricing services, brokers, market makers, intermediaries or other third parties to determine the value of any such assets or liabilities of the Fund; or

(iii) The Supervisory Bank relies solely upon any valuation or pricing information about any such assets or liabilities of the Fund which is provided to it by: (i) The Fund's Board of Representatives or the Fund Management Company; and/or (ii) any valuer, third party valuation agent, intermediary or other third party which in each such case is appointed or authorized by the Fund's Board of Representatives or the Fund Management Company to provide valuations or pricing information of the Fund's assets or liabilities to the Supervisory Bank.

((i), (ii) and (iii) collectively "Affected Valuations").

39.11. The Supervisory Bank shall not be liable for any loss suffered by any person as a result of any inaccuracy, error or delay in the Affected Valuations or any consequential error in the Fund's Net Asset Value.

39.12. The Fund and the Fund Management Company agree to indemnify the Supervisory Bank against all liabilities, claims, costs, disbursements and other losses (other than those arising out of the fraud, negligence or willful default of the Supervisory Bank) which may at any time hereafter be incurred by the Supervisory Bank as a direct or indirect result of any inaccuracy, error or delay in the Affected Valuations.

**ARTICLE 40. THE TERMINATION OF THE RIGHTS AND OBLIGATIONS OF THE SUPERVISORY BANK APPLICABLE TO THE FUND**

- 40.1. The rights and obligations of the Supervisory Bank shall be terminated in following cases:
- a) The Supervisory Bank is divided, split up, dissolved, bankrupt or consolidated and merged or transformed the status of legal person; or the license of establishment and operation of the Supervisory Bank is revoked.
  - b) Termination of the Supervisory Contract under the terms of the Supervisory Contract;
  - c) The Fund is expired, dissolved, consolidated and merged; or
  - d) Decision of the General meeting of Investors.
- 40.2. For the cases as prescribed in Article 40.1 of the Fund Charter, the rights and obligations of the Supervisory Bank shall be transferred to another Supervisory Bank in accordance with the procedure of changing Supervisory Bank as stipulated by the regulations about the establishment and management of the securities investment fund. The Supervisory Bank can terminate the contract after transferring all the rights, obligations for the replaced Supervisory Bank or the Fund is dissolved as prescribed in Article 44 of the Fund Charter.

## **CHAPTER VIII**

### **THE RELATED SERVICE PROVIDER**

#### **ARTICLE 41. THE AUTHORIZED ACTIVITIES**

41.1. The Fund Management Company is permitted to outsource the service provider to carry out the services of the Fund.

41.2. The authorized activities include:

- a) The service of transfer agent:
  - i. To prepare and maintain the Main Register; open the new Trading Account for the Investor; monitor and manage the system of investor accounts and register name accounts;
  - ii. To certify the ownership of the Fund Certificates;
  - iii. To record the trading orders of Fund Certificates (buy, sell, transfer order), transfer the ownership of the Fund Certificates and manage the cash flow relating to the transactions of the Investor;
  - iv. To provide the Investors with records summarizing transactions of Fund Certificates and relevant materials;
  - v. To assist the Investors to exercise the rights and obligations associated with their ownership of Fund Certificates;
  - vi. To maintain the contact channel with the Distribution Agent, Omnibus Agent;
  - vii. To exercise the other activities in accordance with the laws, service contract signed with the Fund Management Company.
- b) The service of fund administration
  - i. The activities of the Fund accounting include making accounting entries for Fund transactions, recording fluctuations affecting cash flow in and out of the Fund in order to determine the Net Asset Value of the Fund;
  - ii. To prepare financial statements of the Fund, and coordinate with and assist the Fund's auditor during conduct of audits of the Fund;
  - iii. To determine the Net Asset Value of the Fund, Net Asset Value per Unit in accordance with the laws, Fund Charter.
  - iv. To exercise the other activities in accordance with the laws, service contract signed with the Fund Management

#### **ARTICLE 42. THE CONDITIONS OF SELECTING THE RELATED SERVICE PROVIDER**

42.1. The service provider must satisfy the following conditions:

- a) To be one of the top organizations with experience, prestige and stable financial capacity;

- b) To be allowed to operate the provided services in accordance with the Vietnam Laws;
  - c) To have adequate human resources, information technology system, knowledge of relevant Laws, operational processes, profession as requested by the Fund Management Company; and
  - d) To satisfy relevant conditions as prescribed in the Vietnam laws.
- 42.2. Where a service provider is authorized to perform several services for the Fund, the service provider shall have a detailed operational procedure, reporting system and separate report approval system for the Fund and ensure the smoothness of the service department to maximize its effectiveness.
- 42.3. The Fund Management Company selects the service providers of Transfer Agent, Fund Administration and the service providers of Transfer Agent, Fund Administration shall be stipulated in detail by the Prospectus.

#### **ARTICLE 43. THE RESPONSIBILITY OF THE RELATED SERVICE PROVIDER**

- 43.1. The principal of authorized activity, as followings
- a) The authorized activity shall comply with the laws and Fund Charter; and
  - b) The authorized activity shall be according to the authorization contract between the Fund Management Company and attorneys. Attorneys shall be responsible for the authorized activities.
- 43.2. The scope, function, tasks of the attorneys
- a) To perform the authorized activities as stipulated in Article 41.2 of the Fund Charter.
  - b) Attorneys shall be capable and have sufficient systems, personnel and experience to implement the authorized activity, to register operations or obtain licenses for operations authorized to be conducted according to the relevant regulations.
  - c) Service provision divisions of attorneys shall be separated from other divisions of attorneys in terms of personnel organization, process and operation systems, reporting and report approval systems.
  - d) The authorized party shall perform authorized works in an effective and prudent manner and protect confidentiality of all information relating to investors and other partners of the Fund Management Company.
  - e) Attorneys shall be responsible for providing the Fund Management Company with independent auditors' reports on contents related to authorizations in service of examination and supervision activities of the Fund Management Company

#### **ARTICLE 44 THE RESPONSIBILITY OF THE FUND MANAGEMENT COMPANY FOR THE AUTHORIZED ACTIVITIES**

- 44.1. The authorization shall not reduce or change the responsibility of the Fund Management Company for the Fund. The Fund Management Company must be fully responsible for financial and legal arising from the authorization, except for legal obligations, fees,

service prices that customers directly agree to and pay for authorized party on the basis of the investment entrust contract, supervision contract, depository contract as prescribed in the Fund's Charter and in accordance with relevant laws.

- 44.2. Before signing the service contract with the authorized party, the Fund Management Company must verify and prepare a report on assessment of capacities and infrastructure in order to ensure that attorneys have adequate facilities and equipment, technical solutions, , business processes, staff have relevant experience and qualifications to carry out authorized operations.
- 44.3. Making regular examinations and supervisions to ensure that authorized operations are carried out in a careful, safe manner and in conformity with legal regulations, provisions of the charter of the securities investment fund/company, investment management contracts, that the quality of services provided is consistent with criteria and requirements of the Fund Management Company and Fund.
- 44.4. Maintaining personnel who have suitable experience, qualifications and professional knowledge to monitor, identify and manage risks arising from authorized operations in an effective manner.
- 44.5. Setting up systems, developing processes to ensure that securities investment companies, independent auditors, the State Securities Commission may, at any time, get access to information necessary for examining and supervising authorized operations, assessing and managing risks arising from authorized operations.
- 44.6. The Fund Management Company must ensure the continuity of authorized operations, and avoid causing any interruption and influence on investments and provision of services to Investor.
- 44.7. Providing, on a full timely and accurate basis, related information for attorneys so that they may enforce all rights and fulfill obligations and responsibilities in authorized operations in a full and timely manner.
- 44.8. Recording, on a full timely and accurate basis, instructions, requests and documents sent to attorneys to carry out authorized operations

#### **ARTICLE 45. TERMINATION OF AUTHORIZED ACTIVITIES**

- 45.1. The rights and obligations of the service provider shall be terminated in following cases:
  - a) The authorization contract is expired or invalid; or the Fund Management Company and the authorized party agree to terminate the authorized service contract;
  - b) The attorney is suspended, terminated the operation, dissolved, bankrupt;
  - c) The attorney is no longer to satisfy the conditions as prescribed in Article 42 of the Fund Charter and requested by the Fund Management Company;
  - d) The other cases as prescribed in the Laws.

45.2. For the cases provided in Article 45.1, the rights and obligations of the service provider of the Fund shall be transferred to the other providers upon the request of the Fund Management Company.

## **CHAPTER IX**

### **THE DISTRIBUTION AGENT, OMNIBUS AGENT**

#### **ARTICLE 46. THE REGISTRATION OF OPERATION OF THE DISTRIBUTION AGENT, OMNIBUS AGENT**

- 46.1. The Distribution Agent, Omnibus Agent is selected by the Fund Management Company and must satisfy the requirements of providing the distribution of the Fund Certificates.
- 46.2. The Fund Management Company shall be responsible for appraising its facilities before selecting Distribution Agent and distribution locations to provide services to the Investors. The report on the material facilities of the Distribution Agent and the location of distribution shall be kept at the head office of the Fund Management Company and shall be provided to the competent State management agency as required. The Fund Management Company must regularly inspect and supervise the operation of the Distribution Agent in accordance with the law and the terms of the distribution contract
- 46.3. The Distribution Agent being not a securities business organization, commercial bank, insurance company is not allowed to
- a) Be an Omnibus Agent;
  - b) Be a Distribution Agent for other fund management companies at the same time if there is not the approval of the Fund Management Company in which the Distribution Agent providing distribution service.

#### **ARTICLE 47. THE ACTIVITIES OF DISTRIBUTION AGENT, OMNIBUS AGENT**

- 47.1. The activities of Distribution Agent comprise:
- a) The collation of complete information about investors and beneficiaries in accordance with the laws on securities and the law on anti-money laundering and the law on anti-terrorism;
  - b) Prompt, complete and accurate receipt and transmission of trading orders of each Investor to the Fund Management Company, Transfer Agent. Distribution Agent is not permitted to collate and settle trading orders, nor to directly receive money or pay for the Fund Certificate transactions to the Investors.
  - c) Assistance to investors to conduct procedures to change information in the Main Register, certification of ownership of Fund Certificates by the Investors, and transfer of ownership rights in accordance with the Fund Charter.
  - d) Maintenance of a smooth, continuous communication channel with Investors to ensure that Investors are updated promptly, completely and accurately with all information on

resolution of difficulties encountered by Investors regarding the Fund products offered for sale; maintenance of statistics, making records summarizing transactions in trading accounts and providing them to investors, and certifying transactions at the request of Investors; provision to Investors of the prospectus, summarized prospectus and financial statements of the Fund, and of data for meetings of the General meeting of Investors and other information; implementation of the reporting regime and disclosure of information on accordance with authority delegated by the Fund Management Company.

- e) Assistance to the Fund Management Company or related service providers to hold meetings of the General meeting of Investors; receipt of authority pursuant to written instructions from the Investors to attend meetings and vote on their behalf;
- f) Collation and archiving of information about the Investors and their transactions; and provisions of such information on request of the Fund Management Company, related service providers and the SSC.

47.2. The activities of Omnibus Agent comprise:

- a) Implementing the function of Distribution Agent prescribed in Article 47.1 in respect of the Investors registered to trade on their own investor account;
- b) Preparation and management of subsidiary for Investors who have registered to trade on nominee accounts; preparation and management of the system of sub-accounts; updating and provisions of updated information about the Investors, including their ownership and trading activities to the Fund Management Company and related service providers;
- c) Implementation of trading orders for nominee accounts on the basis of collation of the trading orders from the Investors, ensuring orders are fully implemented and that sell orders are allocated in a fair manner and that making payment is conducted in accordance with the laws;
- d) Fulfilling the functions, tasks and activities of Distribution Agent as prescribed in Article 47.1 of the Fund Charter.

47.3. The particular regulations for the Omnibus Agent

47.3.1. The condition of the Omnibus Agent

- a) Be a commercial bank or reputable financial institutions established and operating in Vietnam
- b) Comply with the legal regulations, especially AML/CTF and FATCA regulations;
- c) Be eligible for standard of risk management and financial safety and other requests set by the Fund Management Company.

47.3.2. The regulations on the responsibilities of the Omnibus Agent for the Investor, Fund: The Omnibus Agent has the responsibility of fulfilling the function in accordance with the laws, including but not limited to

- a) Assets in a nominee account do not belong to the Omnibus Agent but to the Investors in the subsidiary register. Such investors are entitled to all the lawful rights and interests of the corresponding owners of such Fund Certificates as registered as holders on the nominee Account. An Investor has the right to require the Omnibus Agent to transfer ownership of the Fund Certificates in such nominee account to the Investor account (if any);
- b) The Omnibus Agent must separately manage the money and assets of each Investor; and must separately manage the money and assets of the Investors from the agent's own money and assets. Any Omnibus Agent wishing to trade Fund Certificates on its own behalf must open a Fund Certificate trading account which is independent from the nominee account in accordance with the laws;
- c) The Omnibus Agent is not permitted to use the money or assets of Investors in any form, and is not permitted to deposit, withdraw, transfer, or conduct transactions relating to assets of Investors on the nominee account; and is not permitted to receive authorization the Investors to remit money or assets as between sub-accounts of Investors. Any transaction relevant to assets of an Investor is only permitted to be conducted if it conforms to the laws on lawful orders and instructions and if same are received in writing from the Investors.
- d) The Omnibus Agent must open a deposit account at the Supervisory Bank for receiving and making payments for Fund Certificate transactions for Investors. The Omnibus Agent shall only use this account to make payments for Fund Certificate transactions of Investors or return money to the Investor who transferred such amount money if requested.

#### **ARTICLE 48. GENERAL PROVISIONS ON PROFESSIONAL ACTIVITY OF FUND CERTIFICATE ACTIVITY**

- 48.1. Distribution Agent, Omnibus Agent and their staff must act voluntarily, fairly, and honestly with the Investors, and must promptly provide all complete and accurate information to enable the Investors to make their own investment decisions. Information, data and economics forecasts provided to the Investors must be based in actual events and must accompanied by reference material which has been issued by professional finance and business organizations which has been publicly disclosed. Distribution staff are not permitted to supply unverified information, incorrect information or rumors to the Investors.
- 48.2. Distribution staff are not only permitted to offer Fund Certificates for sale after the Investors have already been provided with the Fund Charter, Prospectus and summarized Prospectus, on the Fund's operation. Distribution staff must explain to the Investors special contents in the Prospectus and Fund Charter on the investment objectives and policies of the Fund and its investment strategy for archiving such objectives, any special points on

- profit and risks, the policy on profit distribution and on taxes, service prices and other charges, and the regime for trading Fund Certificates.
- 48.3. Distribution staff must promptly provide complete and accurate information to the Investors regarding operational results of the Fund and must specify when this information is only for reference purposes or is only forecast information which may change depending on market status.
  - 48.4. Distribution staff is not permitted to supply false, misleading or incomplete information which is only based on forecasts in order to induce the Investors to purchase Fund Certificates, and must not cause any misunderstanding about the special characteristics being profit and risks of such certificates. When making comparisons with products of other funds, Distribution Agent is only permitted to describe the differences between the funds in order to enable the Investors to make their own selection. They are not permitted to directly or indirectly take any action aimed at inducing the Investors to purchase Fund Certificates with higher risk unless the Investors understand all the potential risks prior to investment in such fund, or to induce investors to invest in funds not consistent with the investment objectives and financial capability of such investor.
  - 48.5. Distribution Agent, Omnibus Agent and their staff must retain confidentiality of information about the Investors and their trading activities, and must not use such information for any purpose at all unless the Investor consents or unless a request is made by a competent state authority.
  - 48.6. Distribution Agent, Omnibus Agent are not permitted to discount or reduce the trading price of Fund Certificates in any form, and must not make donations or use material or financial benefits in any form in order to offer certificates for sale or to induce the Investors to purchase the Fund Certificate; and they are not permitted to ask for, demand or receive in their personal capacity or in the capacity of an organization any item of remuneration, profit or benefit from the Fund Management Company in order to offer Fund Certificates for sale to the Investors, except for the service price announced in the Prospectus and in the distribution contract signed with the Fund Management Company.
  - 48.7. Distribution Agent, Omnibus are not permitted to distribute Fund Certificates via any distribution location whose operation has not yet been registered or licensed by the laws or not yet notified to the SSC. Distribution Agent, Omnibus Agent are wholly liable for the operation of their Fund Certificates distribution location and for their distribution staff when they distribute Fund Certificates to the Investors.
  - 48.8. The Fund Management Company, Distribution Agent, Omnibus Agent must annually arrange training courses to update and upgrade qualifications and knowledge of their staff distributing the Fund Certificates. Information about such annual training activities held by the Fund Management Company, Distribution Agent, Omnibus Agent must be enclosed in the annual operational report from the Fund Management Company.

## **CHAPTER X**

### **AUDITING, ACCOUNTING AND REPORTING REGIME**

#### **ARTICLE 49. CRITERIA OF SELECTING AND CHANGING THE AUDITING FIRM**

- 49.1. The Fund Management Company must select one auditing firm with a global prestige on the list of approved auditing firm from the SSC. The plan of selection of auditing firm shall be submitted to the Fund Representative Board to consider and approve upon the authorization of the General meeting of Investors.
- 49.2. The selected auditing firm shall satisfy the following conditions;
- a) Not being the affiliated person of the Fund Mangement Company or the Supervisory Bank;
  - b) Be in the list of auditing firms approved by the SSC and annually announced;
  - c) Have a global prestige and audit experience for the public investment funds in Vietnam; and
  - d) Be one of the group of leading auditing firms (“Big4”).

#### **ARTICLE 50. FINANCIAL YEAR**

A financial year shall be a 12-month period starting on January 01<sup>st</sup> and ending on December 31<sup>st</sup> of a calendar year. The first financial year of the Fund shall be from the day on which it is issued with the License on establishment and operation of the Fund by the Securities Commission to the end of December 31<sup>st</sup> of the same year.

#### **ARTICLE 51. ACCOUNTING REGIME**

The Fund shall apply the accounting regime of open-ended fund and comply with the relevant regulations of accounting regime for the funds issued by competent authority and regulated in the policy of the Fund Management Company in detailed. .

#### **ARTICLE 52. FINANCIAL STATEMENT**

- 52.1. The Fund Management Company is responsible for preparing the periodical financial statements about the business result and financial status of the Fund.
- 52.2. The semi-annual financial statement, annual financial statement shall be reviewed, audited by the selected auditing company. The audited reports of the Fund shall be publicly disclosed on the website of the Fund Management Company for Investor’s reference.

#### **ARTICLE 53. OTHER REPORTS**

The Fund Management Company shall comply with the prevailing regulations of SSC on reporting regime and public disclosure.

## **CHAPTER XI**

### **THE NET ASSET VALUE OF THE FUND**

#### **ARTCILE 54. THE VALUATION OF THE NET ASSET VALUE**

- 54.1. The Fund Management Company is responsible to determine the Net Asset Value of the Fund and the Net Asset Value per Unit on the basis of the market price, or if there is no market price then on the basis of the reasonable price of the assets in the investment portfolio of the Fund.
- 54.2. The Fund Management Company must formulate the valuation manual which shall, include the following contents:
- a) Rules and criteria for selection and replacement of a quotation service provider. Quotation service providers must not be related persons of the Fund Management Company and Supervisory Bank;
  - b) Rules, procedures and methods for valuation of the Fund's assets. These rules, procedures and methods for valuation must be clear, reasonable and conformable with regulations of the Laws and the Fund Charter.
- 54.3. The valuation manual and the list of at least 03 quotation service providers that are not related persons of the Fund Management Company and Supervisory Bank must be approved by the Fund's Representative Board and provided for the Supervisory Bank for supervising the determination of NAVs.
- 54.4. The Net Asset Value of the Fund shall be determined on the weekly basis on the Valuation Day. In case that the weekly Valuation Day is a public holiday of Vietnamese securities market or the date of trading suspension at the Stock Exchange under a decision of a competent state agency (this case is subject to decision of the Fund Management Company), the weekly Valuation Day shall be forwarded to Tuesday (working day) of following week.
- The Fund has monthly valuation on the first date of next month for the purpose of conducting the regular report as stipulated in the Laws and Fund Charter.
- 54.5. The Supervisory Bank shall confirm the Net Asset Value of the Fund and the Net Asset Value per Unit. Confirmation must be provided in writing or by computer read-out via the e-communication system of the Supervisory Bank approved by the Fund Management Company.
- 54.6. The Fund Management Company may authorize the Supervisory Bank to calculate the Fund's NAV, the NAV per fund certificate. In this case, the Fund Management Company and the Supervisory Bank must adopt appropriate mechanism and procedures for comparing, reviewing and inspecting to ensure that the NAVs are accurately calculated according to the Fund Charter, valuation manual and the relevant Laws.

54.7. Within twenty-four (24) hours

If a valuation was not conducted correctly, the Supervisory Bank must notify the Fund Management Company and require it to amend the valuation or vice versa in the event that the Supervisory Bank provides the service of determining the Net Asset Value.

54.8. Within 05 working days from the detection of miscalculation of NAV, the Fund Management Company or Supervisory Bank (if the NAV is calculated by the Supervisory Bank) shall correct the NAV and disclose information as prescribed, and notify SSC of such miscalculation, including the causes and time of miscalculation and taken remedial actions. This notification must bear certifications of both the Fund Management Company and Supervisory Bank.

54.9. Within three (03) working days from the date on which the fund's NAV decreases to less than VND 30 billion, the Fund Management Company must notify it to SSC and propose remedial actions.

54.10. At the next business day of a Valuation Day, the Net Asset Value of the Fund and Net Asset Value per Unit must be announced on the website of the Fund Management Company and on other mass media in accordance with the regulations on disclosure of information on the securities market.

## **ARTICLE 55. THE PROCEDURE AND METHOD TO DETERMINE THE NET ASSET VALUE OF THE FUND**

55.1. The Fund's NAV is the total value of the Fund's assets minus the value of its liabilities. Total value of the Fund's assets is determined according to the market value or fair value of assets (if the market value is not available). Total liabilities of the Fund are debts or payment obligations incurred by the Fund by the date before the valuation date. The NAV shall be rounded up in accordance with legal regulations on accounting and auditing. Any balance arising from the rounding up of the Fund's NAV shall be accounted for as the Fund's assets. The market value and fair value of assets, and the value of debts and payment obligations shall be determined according to the rules laid down in Article 55.3 of Fund Charter and internally adopted in the valuation manual or approved in writing by the Fund's Representative Board.

55.2. The Net Asset Value per Unit shall equal Net Asset Value of the Fund divided by the total number of outstanding Fund Certificates on the latest trading day prior to Valuation Day. The Net Asset Value shall be rounded up in accordance with provisions of law in the accounting and auditing sector. Any balance arising from rounding up the Net Asset Value shall be accounted for as assets of the Fund.

55.3. Determination of market values of Fund assets shall be implemented in accordance with the following method:

55.3.1. Value of financial assets

No.	Types of assets	Principle for valuation of market trading prices
<b>Cash and cash equivalents, monetary market instruments</b>		
1	Cash (Vietnam Dong - VND)	Cash balance on the date prior to the valuation date
2	Foreign currencies	Value converted to VND at exchange rates applied by credit institutions licensed to deal in foreign exchange, on the date prior to the valuation date
3	Term deposits	Deposit value plus accrued interest as of the date prior to the valuation date
4	Treasury bills, certificates of deposit transferable and other money market instruments	Purchase price plus accrued interest as of the day prior to the Valuation Date
5	For non-interest instruments including Treasury bills, bonds, valuable papers and other non-interest instruments	The quote price posted on the transaction system of the Stock Exchange; in the absence of the quote price, the price level is determined according to or the discounted cash flows model in reliance on the bid-awarding interest rate or another designated by the Fund Representative Board and time period of holding such instruments
<b>Bonds</b>		
6	Listed bonds	<ul style="list-style-type: none"> <li>- The average quoted price on the trading system (or the other name in compliance with Stock Exchanges Internal Regulation) on the latest trading day prior to the valuation date, plus accrued interest, (if quoted price excluding accrued interest);</li> <li>- In case there is no transaction in more than 15 days prior to the Valuation Date, the price shall be prioritized as the following order: <ul style="list-style-type: none"> <li>(1) Purchase price plus accrued interest; or</li> <li>(2) Face value plus accrued interest; or</li> <li>(3) Price is determined according to the method approved by the Fund Representative Board.</li> </ul> </li> <li>- The method of bond valuation is detailed on</li> </ul>

		Valuation Manual approved by the Fund Representative Board.
7	Unlisted bonds	<p>-The quote price (if any) on the quotation system plus coupon interest calculated to the day prior to the Valuation Day; or</p> <ul style="list-style-type: none"> <li>○ Purchase price plus accrued interest; or</li> <li>○ Face value plus accrued interest; or</li> <li>○ Price is determined according to the method approved by the Fund Representative Board</li> </ul> <p>The method of bond valuation is detailed on Valuation Manual approved by the Fund Representative Board.</p>
<b>Equity</b>		
8	Stocks listed on City Stock Exchange Stocks of public companies registered for trading on the UpCom system	<p>- Closing price (or the other name in compliance with Stock Exchanges Internal Regulation) on the transaction system of latest the trading day prior to the Valuation Day;</p> <p>- In case there is no transaction in more than 15 days prior to the Valuation Day, the price shall be prioritized as the following order:</p> <ol style="list-style-type: none"> <li>(1) Book value;</li> <li>(2) Purchase price;</li> <li>(3) Price is determined according to the method approved by the Fund Representative Board.</li> </ol>
9	Stocks suspended from trading, delisted or de-registered for trading	<p>-The price shall be determined as one of following ones:</p> <ol style="list-style-type: none"> <li>(1) Book value; or</li> <li>(2) Face value; or</li> <li>(3) Price is determined according to the method approved by the Fund Representative Board.</li> </ol>
10	Stocks of institutions under dissolution or bankruptcy	The price shall be determined as one of following ones:

		<p>(1) 80% of liquidated value of such stocks on the date of the latest balance sheet prior to the valuation date;</p> <p>(2) Price is determined according to the method approved by the Fund Representative Board.</p>
11	Other stocks and capital contributions	<p>-The market price is the average price of successful transaction at the latest transaction date prior to the Valuation Day which is provided by the quotation provider.</p> <p>- In the absence of quotation, the price shall be determined as one of following ones:</p> <p>(1) Book value; or</p> <p>(2) Purchase price; or</p> <p>(3) Price is determined according to the method approved by the Fund Representative Board.</p>
<b>Derivative securities</b>		
12	Listed derivative securities	Closing price or the other name in compliance with Stock Exchanges Internal Regulation on the latest trading day prior to the Valuation Day.
13	Listed derivative securities there is no transaction in more than 2 weeks	The price shall be determined by the method agreed by the Fund Representative Board.
<b>Other assets</b>		
14	Other permitted investment assets	<p>The market price is the mean price of the successful transactions on latest the trading day prior to the Valuation Day provided by quotation provision providers</p> <p>In the absence of quotation, the price is determined as the method approved by the Fund Representative Board.</p>

Note:

- Accrued interest is calculated from the nearest day of interest payment to the date prior to the Valuation Day;
- Book value of a stock is determined based on audited and reviewed latest financial statement;

- The quotation organization is selected for the bond quotation system (Reuters/Bloomberg/VNBF...) for have reference;
- In this part, date means the calendar day;
- The details on appropriate valuation method is presented in the Valuation Manual and approved by the Fund Representative Board.

55.3.2. Global exposure from derivatives contracts

- a) Global exposure (commitment value) is the value converted to money which securities investment funds/companies are parties with the obligation of contract implementation. The global value is determined upon the market value of underlying assets, payment risks, market volatilities and the time necessary for position liquidation.
- b) In calculating global exposure, the Fund Management Company may apply
  - i. Net offset principle of derivative position (reverse) for the same underlying asset, for example the purchase position of XYZ securities call option reduces (offsets) the global exposure from sale position of XYZ securities call option;
  - ii. Net offset principle of derivative position and spot delivery position of the same security, for example the purchase position (holding) of XYZ securities offsets (reduce) the global exposure from the sale position of XYZ securities call option
  - iii. principles shall be in accordance with international practice, ensuring risk management

No.	Type of derivative	Global exposure (commitment value)
1	Stock option (purchase/sale of call/put option)	Market value of option position <sup>1</sup> is adjusted by delta coefficient of option = Number of contracts x value of shares per contract x current market value of share x delta coefficient <sup>2</sup>
2	Bond option (purchase/sale of call/put option)	Market value of option position(*) is adjusted by delta coefficient of option = Number of contracts x nominal value x current market value of bond 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

<sup>1</sup> If there is purchase position, the market value may be adjusted to increase premium.

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

		contracts x value contracts calculated under notional value x market value of the cheapest transferable bonds
5	Other contract	Upon the model selected by the Fund Management Company, with agreement of Supervisory Bank and approved by Fund Representative Board.

**ARTICLE 56. INDEMNIFYING LOSS SUSTAINED BY INVESTORS AND BY THE FUND**

- 56.1. The Fund Management Company is liable to compensate loss sustained by the Fund or investors trading Fund Certificates and sustaining loss when the Net Asset Value is determined incorrectly for a deviation of 1.00% or more in the Net Asset Value or other ratio as stipulated in the Fund Charter from time to time.
- 56.2. In case the Fund is under-valuation, 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 paid to the Investors shall be charged to the Fund.
  - 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 paid to the Fund shall be charged to the Fund Management Company's expense.
- 56.3. In case the fund is over-valuation, 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 paid to the Investors shall be charged to the Fund;
  - 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 paid to the Fund shall be charged to the Fund Management Company's expense.
- 56.4. The Fund shall not make any compensation in case that the Investor's damage is less than 100.000 dong / Investor and the compensation amount shall be charged to the Fund or except otherwise decided by the General Meeting of Investors

## **ARTICLE 57. PRINCIPLES, CRITERIA FOR SELECTING, CHANGING THE QUOTATION PROVIDER**

57.1. The principle, criteria for selecting, changing the quotation provider: The list of minimum three (03) quotation provider must satisfy the following conditions:

- a) Being the securities company with the license on establishment and operation by the SSC;
- b) Have the top brokerage market in the Vietnam;
- c) Have full ability to provide the quotation service.
- d) Not being the related person of the Fund Management Company and Supervisory Bank.
- e) Obtain approval from the Fund Representative Board.

57.2. The change of quotation provider

The Fund Management Company shall consider the selection and submit to the Fund Representative Board for approving the list of the organizations providing quotation to the Fund. The quotation provider shall be changed, terminated in following cases:

- a) Decision of the Representative Board of the Fund
- b) The License of establishment and operation of quotation provider is revoked.
- c) The request of the quotation provider.

## **CHAPTER XII**

### **INCOME AND PROFIT DISTRIBUTION**

#### **ARTICLE 58. FUND INCOME**

The Fund income includes the following items

1. Income
2. Bond Interest
3. Deposit Interest
4. Difference of purchase and sale from investment activities of the Fund
5. Other incomes (if any) arising from the investment of the Fund asset.

#### **ARTICLE 59. FUND PROFIT**

- 59.1. The profit distribution (if any) shall base on the audited financial statement of the Fund as proposed by the Fund Management Company and submit to the General Meeting of Investors for approval in accordance with the Laws and the Fund Charter.
- 59.2. The profit distribution ensure in the principles as below:
- a) Profits distributed to Investors are taken from the profit in the period or accumulated profits after the Fund has fulfilled all tax and financial obligations in accordance with the Laws.
  - b) The rate of profit payment must be in accordance with the Fund's profit distribution policy as stipulated in the Fund Charter and approved by the General Meeting of Investors
  - c) After paying, the Fund still has to ensure that there is a source of capital to pay all due debts and other asset obligations and the net asset value of the Fund after profit payment must not be less than VND fifty (50) billion
  - d) In case of distributing profits by Fund Certificates, the Fund must have sufficient reciprocal capital from undistributed after-tax profits based on the most recent audited or reviewed financial statements.
- 59.3. Fund dividends may be paid in cash or by Fund Certificates. The profit distribution in the Fund Certificates shall be approved by the General Meeting of Investors in advance or the Fund Representative Board (if the latest General Meeting of Investors has authorized to the Fund Representative Board) and stipulated in the Prospectus. Only Investors named on the list of Investors holding Fund Certificate at the closing date will receive dividends from the Fund.
- 59.4. The Fund Management Company must deduct all taxes, fees and charges in accordance with the law before distributing profits to investors
- 59.5. The Fund Management Company is allowed to distribute the Fund's assets to Investors more than the realized profit, but must ensure that the Fund's Net Asset Value after

implementation is not lower than VND 50 billion. The plan, implementation roadmap, size of assets to be distributed, capital for implementation must be approved by the General Meeting of Investors

## **CHAPTER XIII**

### **THE SERVICE PRICE AND EXPENSES OF THE FUND**

#### **ARTICLE 60. THE FEES PAID BY THE INVESTORS**

- 60.1. Subscription Service Price, Redemption Service Price, Switching Service Price might be stipulated in the different rate, according to investment amount, holding period of Fund Certificates. The detailed fees are regulated by the Fund Management Company in the Prospectus, summary Prospectus, website of the Fund Management Company, Distribution Agent or other methods.
- 60.2. For the DFVN-CAF, Redemption Service Price, after collected by the Investors executing redemption transaction, shall be retained with to the Fund.
- 60.3. The Fund Management Company has the right to change the Service Price, Redemption Service Price, Switching Service Price depending to the conditions of situation. However, Subscription Service Price is not allowed to exceed five percent (5%) of transaction value; Redemption Service Price, Switching Service Price; Redemption Service Price, Switching Service Price is not allowed to exceed 3% of transaction value. The earliest day to apply the increased service price rats is after sixty (60) days from the date on which the Fund Management Company announces new service price on its website and/or the other methods as prescribed in the prevailing the Laws.

#### **ARTICLE 61. THE OPERATION EXPENSES OF THE FUND PAID BY THE FUND**

- 61.1. The Fund Management Service Price
  - a) The Fund Management Service Price means the fee payable to the Fund Management Company to conduct the service of fund management of DFVN-CAF. The Fund Management Service Price is calculated on a percentage (%) basis of Net Asset Value (“NAV”) of the Fund within one financial year. The Fund Management Service Price is calculated at the period of valuation and shall be paid to the Fund Management Company on the monthly basis.
  - b) The Fund Management Service Price of DFVN-CAF is 1.5% NAV/ year. This Fund Management Service Price can be adjusted within the certain period or the certain condition as stipulated by the Fund Management Company but not exceed 1.5%NAV/year. The adjustment (if any) shall be publicly notified and this adjustment must be in accordance with the Laws.

- c) In case that the Fund Management Service Price is increased more than 1.5% NAV/ year, it requires the approval of the General Meeting of Investors.
- d) The monthly Fund Management Fee is the total amount charged for the Valuation Day performed during the month. The formulation for the Fund Management Fee at Valuation Days is as follows

$$\text{Fund Management Fee for valuation period} = \frac{\text{Fund Management Service Price ratio (\%)} \times \text{NAV at the valuation period} \times \text{The actual number of days in the valuation period}}{\text{Actual days in the year (365 or 366)}}$$

61.2. The Custody Service Price, Supervisory Service Price

The Custody Service Price, Supervisory Service Price shall be paid to the Custodian Bank, Supervisory Bank.

- a) The Custody Service Price is 0.06% NAV/ year, the minimum Custody Service Price shall be stipulated in the Prospectus.
- b) The Supervisory Service Price is 0.02% NAV/ year, the minimum Supervisory Service Price shall be stipulated in the Prospectus.
- c) The monthly payment for Custodian Fee, Supervisory Fee is the total charge calculated for the Valuation Days performed during the month.
- d) The formula for Custody Service Price, Supervisory Service Price at Valuation Days is stipulated in detail by the Prospectus.

61.3. Fund Administration Service Price and Transfer Agent Service Price

- a) Fund Administration Service Price shall be paid to service provider for fund administration according to the agreement signed between the Fund Management Company and service provider subject to the effective date from time to time and in accordance with the regulation about the start time to calculate the service fee (if any) of the Agreement signed by the Fund Management Company and service provider.
- b) The Transfer Agent Service Price shall be paid to service provider for transfer agent according to the agreement signed between the Fund Management Company and service provider subject to the effective date from time to time and in accordance with the regulation about the start time to calculate the service fee (if any) of the Agreement signed by the Fund Management Company and service provider. For avoidance of any doubt, in case that there are any changes to the Transfer Agent, the Transfer Agent Service Price shall be applied in accordance with the regulation of the Agreement signed by the Fund Management Company and new Transfer Agent and/or other agreements (if any, in the period of the transition of the Transfer Agent)



- c) The total of Fund Administration Service Price and Transfer Agent Service Price shall not exceed 0.5% NAV/year. This rate shall be checked at the period of calculating the Net Asset Value as of 31 December every year. The Fund Administration Service Price and Transfer Agent Service Price shall be stipulated in detail by the Prospectus.
  - d) The formulation for Fund Administration Fee, Transfer Agent Fee (if applied) at Valuation Days is stipulated in detail by the Prospectus.
- 61.4. The other fees under the contracts signed between the Fund Management Company and Supervisory Bank, Transfer Agent, Fund Administrator.
- 61.5. The other expense of the Fund, as followings
- a) Auditing fee paid to the auditing firm
  - b) Legal consultation service, quotation service and other reasonable services
  - c) The remuneration paid to the Fund Representative Board
  - d) Costs for drafting, printing, sending the Prospectus, Summary Prospectus, financial statements, transaction confirmation, bank statements and other documents that shall be sent to investors; costs of information disclosure. For the service of postal mailing to Investor: 100,000 VND / Investor / times
  - e) Costs of organizing general meetings of investors or meetings of the fund representative board
  - f) Costs related to conducting transactions of fund's assets
  - g) Costs related to the conversion of Custodian Bank, Supervisory Bank or other service providers
  - h) The other fees accordance with the Laws

## **CHAPTER XIV**

### **RESTRUCTING OF THE FUND**

#### **ARTICLE 62. THE CONDITIONS OF CONSOLIDATION, MERGER OF THE FUND**

62.1. The consolidation, merger of the Fund shall be conducted in the cases as stipulated in the laws and approved by the General meeting of Investors.

62.2. The consolidation, merger of the Fund shall be approved by the SSC.

#### **ARTICLE 63. THE CONDITIONS OF SPLITTING, SEPARATING OF THE FUND**

63.1. The splitting, separating of the Fund shall be implemented in compliance with the regulations and approved by the General meeting of Investors.

63.2. The splitting, separating of the Fund shall be approved by the SSC.

#### **ARTICLE 64. THE CONDITIONS OF DISSOLUTION OF THE FUND**

64.1. Dissolution of the Fund shall be conducted in the following cases:

- a) The Fund Management Company is dissolved, bankrupted, or its license for establishment and operations is revoked and the Fund Representative Board fails to appoint another Fund Management Company to replace within two (02) months from the date when such events occur.
- b) The Supervisory Bank is dissolved, bankrupted, or the supervisory contract is unilaterally terminated by the supervisory bank or the fund management company, or Certificate of registration for securities depository services is revoked and the fund management company fails to appoint another supervisory bank to replace within two (02) months from the date when such events occur.
- c) The Fund is dissolved in pursuant to the decision of the general meeting of investors.

64.2. The dissolution of the Fund shall be conducted in accordance with the laws.

## **CHAPTER XV.**

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

#### **ARTICLE 65. CONTROL OF CONFLICTS OF INTERESTS BETWEEN THE FUND AND FUNDS, TRUST INVESTMENT CLIENTS OF THE FUND MANAGEMENT COMPANY; AND BETWEEN THE FUND AND THE FUND MANAGEMENT COMPANY.**

1. The Fund Management Company shall:
  - a) Separate the investment strategy and objective of each fund managed by the Fund Management Company;
  - b) Separate the assets of the Fund Management Company with the assets of funds, the assets of entrusting investors managed by the Fund Management Company; and separate the assets of the funds managed by the Fund Management Company.
2. All securities transactions of members of the Members' Council, the Chairman of the Fund Management Company, members of the Board of Directors, members of the Board of Supervisors, supervisors, fund management practitioners and employees of the Fund Management Company shall be reported and controlled in compliance with the regulations of the fund's charter and current law;
3. Establish an Internal control and risk management system and supervise any conflicts of interests in the Fund Management Company.

## **CHAPTER XVI.**

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

#### **ARTICLE 66. INFORMATION DISCLOSURE**

- 66.1. The provisions of information disclosure of the fund must comply with the provisions of law on securities and other provisions of relevant law.
- 66.2. Meeting invitation of the Fund Representatives Board shall be deemed as a delivery to every member of Fund Representatives Board in case that it is directly notified to member of Fund Representatives Board or sent via email or contact address which is registered by member of Fund Representatives Board to the Fund.
- 66.3. The Prospectus, the summary Prospectus; the audited financial statements, semi-annual financial statements; the monthly, semi-annual, annual operation report of the Fund, Net Asset Value shall be updated, provided to the Investors on the website of the Fund Management Company and Distributor, Omnibus Agents in compliance with the regulations.

66.4. In case of sending reports via post, the reports shall be deemed as delivery to the registered address of the Investors seven (07) days from the date of sending. The invoice of sending shall be deemed as a proof of sending reports.

#### **ARTICLE 67. AMENDMENT OF THE CHARTER**

- 67.1 This Charter can only be amended and supplemented when having approval of the General meeting of Investors in accordance with the Fund Charter and prevailing legal regulations,
- 67.2 In case there are provisions of law related to the operations of securities investment funds that have not been mentioned in this Charter or in case there are new provisions of law different from the provisions in In this Charter, the provisions of that law are applied and regulate the operations of the securities investment fund.
- 67.3 Any amendments and supplements to the Fund Charter, including amendments and supplements as prescribed in Article 67.1 of this Fund Charter will be reported to the SSC in accordance with the Law.

#### **ARTICLE 68. REGISTRATION OF THE CHARTER**

- 68.1 This Fund Charter consists of sixteen (16) chapters, sixty nine (69) articles and three (03) appendices that takes effect after being approved by the General Meeting of Investors, except for changes that must be made approved by the State Securities Commission in accordance with the provisions of Law, including but not limited to changing the Fund name, changing the Fund Management Company.
- 68.2 The Investor, the Fund Representative Board, the Fund Management Company, the Supervisory Bank and related parties has obligation to comply with this Fund Charter.
- 68.3 The excerpts or certified true copy of the Fund Charter shall be valid when having the signature of the Chairman of Fund Representative Board or the Legal Representative of the Fund Management Company.
- 68.4 This Fund Charter is made in five (05) copies and has the equal validity in Vietnamese language:
- a. one (01) copy for reporting to SSC;
  - b. three (03) copies which are stored at the Fund Management Company
  - c. one (01) copy which is stored at the Supervisory Bank

#### **ARTICLE 69. IMPLEMENTATION PROVISIONS**

- 69.1. This Charter takes effect after approval of General meeting of Investor and reporting to SSC.
- 69.2. The following appendices are attached herewith:

Appendix 1: The commitment of the Fund Management Company

Appendix 2: The commitment of the Supervisory Bank

Appendix 3: The commitment of the Supervisory Bank and Fund Management Company

## **APPENDIX 1**

### **THE COMMITMENT OF THE FUND MANAGEMENT COMPANY**

Dai-ichi Life Vietnam Fund Management Company, Limited.

Establishment and operation license No.: 53/GP-UBCK issued by the State Securities Commission on February 10<sup>th</sup>, 2014 (amended and supplemented from time to time) and Business Registration Certificate No. 0312660770 issued by the Department of Planning and Investment of the Ho Chi Minh City, first issued on February 10, 2014 and registered for the 5th change on February 8, 2023.

The Fund Management Company hereby commits to perform the following obligations to the Investment Fund DFVN-CAF:

1. To strictly comply with legal regulations and the fund charter in the Fund Management Company;
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 depository bank at all times;
4. To pay all fees to the Depository bank and other service providers as specified in the fund's charter;
5. To periodically provide the Depository bank with the following information.
6. To provide free of charge or at a reasonable fee copies of the fund's charter (and attached appendices), prospectus (and attached appendices) 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 fee copies of annual reports and other reports of the fund to investors at their request.
11. To provide free of charge or at a reasonable fee copies of annual reports of the depository bank on the fund management of the Fund Management Company 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 completely 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 Management Company and depository bank.
15. To implement the obligation to convene the General Meeting of Investors in accordance with legal regulations.

Dai-ichi Life Vietnam Fund Management Company, Limited  
Chief Executive Officer

**TRAN CHAU DANH**

## **Appendix 2**

### **COMMITMENTS BY SUPERVISORY BANK**

Supervisory bank: **HSBC Bank (Vietnam) Limited**

License of establishment and operation No. 235/GP-NHNN issued by State Bank of Vietnam on September 08<sup>th</sup>, 2008;

Certificate for registration of securities depository activities No. 05/UBCK-GCN issued by State Bank of Vietnam on December 10<sup>th</sup>, 2013 to carry out the following services (i) the safekeeping and custody of securities, legally ownership certificate, economics contracts, documents relevant to the Fund's asset as well as to supervise the Fund's activities; (ii) the supervision of Fund asset management carried out by the Fund Management Company and (iii) other services authorized by the Fund Management Company in accordance with the terms of the Supervision Contract;

Decision No. 1070/QD-NHNN dated June 24, 2022 of the State Bank of Vietnam on adding operational content to the License of HSBC Bank related to "Supervising banking activities according to the law on securities".

Supervisory 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 companies at least one a month and report to the SSC in case the situation of assets/liabilities is inconsistent between fund management companies and supervisory banks.
5. To separate assets of funds from assets of the Supervisory Banks, assets of fund management companies 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 companies do not take advantage of the management position of funds to implement activities of directly or indirectly gain profit for fund management companies or relevant persons damaging interests of investors.
8. To ensure funds to be audited annually by an independent auditing company.

**(General) Director of the Supervisory Bank**

*(Signature, full name and seal)*

**Appendix 3**  
**COMMON COMMITMENTS BY FUND MANAGEMENT COMPANIES AND**  
**SUPERVISORY BANKS**

Dai-ichi Life Vietnam Fund Management Company, Limited.

Establishment and operation license No.: 53/GP-UBCK issued by the State Securities Commission on February 10<sup>th</sup>, 2014 (amended and supplemented from time to time) and Business Registration Certificate No. 0312660770 issued by the Department of Planning and Investment of the Ho Chi Minh City, first issued on February 10, 2014 and registered for the 5th change on February 8, 2023. Supervisory bank: **HSBC Bank (Vietnam) Limited**

License of establishment and operation No. 235/GP-NHNN issued by State Bank of Vietnam on September 08<sup>th</sup>, 2008;

Certificate for registration of securities depository activities No. 05/UBCK-GCN issued by State Bank of Vietnam on December 10<sup>th</sup>, 2013 to carry out the following services (i) the safekeeping and custody of securities, legally ownership certificate, economics contracts, documents relevant to the Fund's asset as well as to supervise the Fund's activities; (ii) the supervision of Fund asset management carried out by the Fund Management Company and (iii) other services authorized by the Fund Management Company in accordance with the terms of the Supervision Contract;

Decision No. 1070/QD-NHNN dated June 24, 2022 of the State Bank of Vietnam on adding operational content to the License of HSBC Bank related to "Supervising banking activities according to the law on securities".

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.

**(General) Director of the Fund Management  
Company**

*(Signature, full name and seal)*

**Authorized Representative of the  
Supervisory Bank**

*(Signature, full name and seal)*