

### **Translation Accuracy Disclaimer**

This document is a translation of Prospectus of the VINACAPITAL INSIGHTS BALANCED FUND. The translation is for informational purposes only, and is not a substitute for the official policy. The original version of the Prospectus, found in website of the fund management company (wm.vinacapital.com), is the only definitive and official version. If any questions arise related to the accuracy of the information contained in the translation, please refer to the Vietnamese version of the document. Any discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes

State Securities Commission of Vietnam ( "SSC") granted the license for issuing Fund certificates to the public means that the application for setting up the Fund and issuing Investment Fund Certificates has been conducted in accordance with the provisions of the relevant laws, but not implied to secure the content of the Prospectus, as well as the Fund's investment objectives, strategies.

## **PROSPECTUS SUMMARY**

(Updated on 19/11/2019)

# **VINACAPITAL INSIGHTS BALANCED FUND (VIBF)**

**This prospectus is issued at:**

**VinaCapital Fund Management Joint Stock Company (VinaCapital),**

**Address:** 17th Floor, SunWah Tower, 115 Nguyen Hue Street, District 1, Ho Chi Minh City, Vietnam

**Phone:** (84 – 28) 3821 9930

**Fax:** (84 – 28) 3821 9931

**Email:** irwm@vinacapital.com    **Website:** wm.vinacapital.com

**Person in charge of information disclosure:**

Mr. Dinh Gia Ninh

Head of Internal Control of VinaCapital Fund Management Joint Stock Company

**I. INFORMATION ABOUT VINACAPITAL INSIGHTS BALANCED FUND**
**1. General information**

Vietnamese name	Quy Dau Tu Can Bang Tue Sang VinaCapital
English name	VinaCapital Insights Balanced Fund
Abbreviations	VIBF
Address	17th Floor, Sun Wah Tower, 115 Nguyen Hue Street, District 1, Ho Chi Minh City, Vietnam
Phone	(84 - 28) 3821 9930
Fax	(84 - 38) 3821 9931
Fund establishment license	No. 37/GCN-UBCK issued by SSC on July 02 <sup>nd</sup> , 2019
Investor(s) Subject	Domestic and overseas organizational investor(s), and Domestic and foreign individual investor(s) are eligible in behavior and over 18 years old.

**2. Principle of operation**

Term of operation	Indefinite term
The highest authority	<p>General Investors Meeting</p> <p>The General Investors Meeting is the Fund's highest authority, with voting rights held regularly or extraordinarily to pass the important matters relating to the Fund and all The Investor(s) named in the list of the right to attend the meeting are entitled to attend.</p> <p>The General Investors Meeting shall be held within thirty (30) days from the date of the annual financial statements audited by the approved auditing organization.</p>

	Details of the General Investors Meeting are provided in Articles 20 to 24 of the Charter of VIBF.
Regular monitoring of the activities	<p>Fund Representative Board</p> <p>Are the Investor(s)' representatives elected by the General Investors Meeting to supervise the activities of the Fund, the Fund Management Company and the Supervisory Bank.</p> <p>Details of the Fund Representative Board are provided from Article 25 to Article 31 of the Charter of VIBF.</p>
Fund Management Company/Representative to raise capital and offer Fund Certificates	VinaCapital Fund Management Joint Stock Company
Face value per Fund unit	VND 10,000

### 3. Investment objectives

The Fund's investment objectives are to grow Net Asset Value in the medium and long term (from two (2) years to five (5) years) and create stable income for The Investor(s) by investing in stocks of companies with sustainable competitive advantage, bills, bonds, valuable papers and other fixed income assets with good credit quality.

### 4. Investment strategy, method of investment selection and asset allocation:

The Fund will apply dynamic investment strategies or value investment strategies depending on market movements and focus on investing in the list of listed stocks of the companies with sustainable competitive advantage, a large market share, good management capacity, strong financial situation, good operating capable even during unfavorable market conditions and attractive valuation relative to potential future growth of the company.

The Fund will also invest in treasury bills, bonds, valuable papers and other fixed income assets with good credit quality, ensure capital recovery and bring back fixed income for the Fund.

The Fund Management Company will apply the method of top-down analysis to assess the macro-economic conditions, changes in inflation, interest rates and exchange rates to make investment decisions relating to the period, bond yields and sector of the issuer. Besides, the Fund Management



Company applies analytical methods from the bottom up for selecting issuers with good credit quality and have sufficient financial capacity to meet the payment demand of bond principal and interest when they are due.

For investment assets of shares, the Fund adopts the dynamic strategy and will focus on value stocks, but depending on market conditions, The Fund will also consider investing in growth stocks to seize opportunities. Specifically, the Fund will select the stocks of companies with sustainable competitive advantage, large market share, good management capacity, strong financial situation, and good ability to operate even under unfavorable conditions of the market and being evaluated attractively compared to the company's future growth potential.

The Fund applies a top-down approach to macro-analysis and industry analysis to select effective industries with growth potential combined with bottom-up analysis. The basic indicators of target companies are to select investment stocks and select companies that are valued to be attractive and have good growth potential in many different industries. As a result of these analyses, the Fund Management Company will propose and make appropriate investments for the Fund.

The Fund is flexible to allocate investment assets depending on the market situation and investment opportunities at different times based on the judgment of the Fund Management Company with the transparency objective throughout the time. The Fund's operation is to protect the interests of The Investor(s). However, the allocation of investment assets must not exceed the investment restrictions prescribed in the Charter, the Prospectus and the provisions of the Law.

The Fund aims to invest in a balanced portfolio between stocks and fixed income assets. The actual distribution percentage of investment assets may fluctuate upon market movements and the Fund's investment opportunities from time to time and depending on the Fund Management Company's assessment of risks and profits from these investment opportunities from time to time. Commonly, the rate of allocation to fixed income assets will be higher when the macroeconomic conditions are appropriate and consistent with the value investment strategy. The share allocation percentage will be higher if economic conditions are more favorable for a dynamic investment strategy aimed at capital growth. The Fund's expected allocation rate will be to invest at least 80% of the Fund's total assets in stocks and bonds, of which at least 30% in stocks and at least 30% in bonds. The above allocation structure is the expected structure, depending on the actual situation of the market, the Fund Management Company may change the above investment structure to suit the market.

In accordance with the provisions of the Law and the investment restrictions prescribed in the Charter and the Prospectus, when market or economy conditions are considered to be unfavorable to the Fund and The Investor(s), the Fund Management Company may apply valuable investment strategies and temporarily investing most or all of the Fund's assets into safe asset classes and stable profitability as cash and cash equivalents and/or short-term investments and/or assets of fixed income with less risk.

The Fund will invest in the following assets:

i. Assets with fixed income:

- (i) Deposits at commercial banks in accordance with law;
- (ii) Foreign currency and monetary market instruments, including valuable papers and negotiable instruments under the provisions of relevant laws;
- (iii) Government bonds, Government's underwriting bonds and local government bonds;
- (iv) Listed bonds of issuing organizations established and operating under the Law;
- (v) Corporate bonds issued by listed organizations with payment guarantee of a credit institution or issuer's redemption commitments that have been approved by the Fund representative in writing of all kinds, stock ID, number and value of transactions, execution time; and
- (vi) Bonds are about to be listed or prepared for transaction registration of the issuing organization and operates under the law with sufficient documents proving that the issuing organization will complete the document of transaction registration or bond listing within twelve (12) months from the date on which the Fund executes the transaction and approved by the Fund Representative Board.

ii. Stocks:

- (ii) Listed stocks and stocks registered for trading;
- (iii) Stocks are about to be listed or prepared for transaction registration with sufficient documents proving that the issuing organization will complete the transaction or listing registration documents within twelve (12) months from the date of the transaction made and approved by the Fund Representative Board; and
- (iv) Rights arising attached to the securities held by the Fund.

iii. Derivative tools:

The Fund may invest in derivative securities listed and traded on stock exchanges. However, this investment only serves for the purpose of hedging.

## 5. Investment restrictions

5.1 The Fund's investments will be diversified and meet the conditions specified in the Fund Charter and regulations of the Law. The Fund's portfolio structure must ensure compliance with the following principles:

- (a) Except for the deposit on the Fund's payment account at the Supervisory Bank, the Fund must not invest more than forty-nine percent (49%) of the Fund's total asset value in the assets as prescribed in points 4. i (i) and (ii) of the Fund Charter;
- (b) Not to invest more than thirty percent (30%) of the Fund's total asset value in the assets specified at Points 4.i (i), (ii), (iv), (v) and (vi), points 4.ii and 4.iii of the Fund Charter which are issued by a company or a group of companies with proprietary relationships, where the investment in derivative securities as stipulated in Article 4.iii is the contractual commitment value determined in accordance with relevant regulations;
- (c) Not to invest more than twenty percent (20%) of the total asset value of the Fund in outstanding securities of an issuer, including the kinds of valuable papers, negotiable instruments, bonds (excluding government bonds), stocks with voting rights, shares without voting rights or convertible bonds;
- (d) Not to invest in securities of an issuing organization more than ten percent (10%) of the total value of outstanding securities of that organization, except for Government bonds;
- (e) Not to invest more than ten percent (10%) of the Fund's total asset value in the assets specified in points 4.i (v) and (vi) and 4.ii (ii) of the Fund Charter, except for Government bonds;
- (f) The total value of the investment items is valid from five percent (5%) of the Fund's total asset value in the Fund's investment portfolio must not exceed forty percent (40%) of the Fund's total asset value;
- (g) At all times, the total value of commitments made in derivative securities transactions, outstanding loans and payables of the Fund must not exceed the Net Asset Value of the Fund;
- (h) Not to invest in securities investment funds, stocks of securities investment companies established and operating in Vietnam;
- (i) Not to invest directly in real estate, precious stones, precious metals; and
- (j) At any time in the portfolio, there must be securities of at least six (06) issuers.

5.2 Except for the cases prescribed in Sections 5.1 (g), 5.1 (h) and 5.1 (i) above, the Fund's portfolio structure is allowed to deviate from the investment restrictions prescribed in Section 5.1 if Such discrepancies are derived from the following reasons:

- (a) Due to market price fluctuations of assets in the Fund's investment portfolio;
- (b) Due to making legal payments of the Fund;
- (c) Due to the execution of The Investor(s)' trading orders;
- (d) Due to operational consolidation, merger or takeover of the issuer;
- (e) The Fund is newly licensed for establishment or due to splitting, merging or merging the Fund and the operation term does not exceed six (06) months from the date of issuance of the registration certificate; or
- (f) Fund is in the process of dissolution.

5.3 The Fund Management Company must readjust the portfolio to meet the investment limit in accordance with Section 5.1 within three (03) months from the date of the incurred discrepancy.

5.4 In case the Fund Management Company's fault results in the Fund's investment portfolio not complying with the investment restrictions prescribed by Law or the Fund's Charter, the Fund Management Company is responsible for adjusting the investing portfolio within fifteen (15) days from the date of the incurred discrepancy. At the same time, the Fund Management Company must bear all expenses incurred in connection with these transactions and compensate the Fund for losses (if any). However, if profits arise, the Fund Management Company must immediately account all profits earned to the Fund.

5.5 Fund Management Company is only allowed to invest the deposit and monetary instruments as prescribed in Section 4.i (i) and (ii) of the Prospectus issued by credit institutions in the list has been approved by the Fund representative in writing.

## **6. Profit distribution policy**

The Fund's profit distribution to the Investor(s) will be proposed by the Fund Management Company on the basis of the audited financial statements confirming sufficient profits to distribute and approved by The Investor(s)' Meeting or the Fund Representative Board (if it is authorized).

The Fund Management Company must deduct all taxes, fees and charges in accordance with the Laws before distributing profits to The Investor(s).

Information about the Fund's profit distribution activities or the Fund's distribution of assets must be updated in the later amended and supplemented Prospectus.

**7. Provision of information for The Investor(s) and report regime**

The Investor(s) is provided sufficient reports according to regulations and can be viewed in detail in Information Disclosure Section on the website of VinaCapital <https://wm.vinacapital.com/cong-bo-thong-tin>

**II. INFORMATION ABOUT FUND MANAGEMENT COMPANY, SUPERVISORY BANK, AUTHORIZED ORGANIZATION, AND DISTRIBUTION AGENCY**

**1. Fund Management Company**

Company name (Vietnamese)	Cong ty Co phan Quan ly Quy VinaCapital
Name in English	VinaCapital Fund Management Joint Stock Company
Abbreviations	VinaCapital
Operating license	No. 31/UBCK-GP issued by the State Securities Commission of Vietnam on April 14 <sup>th</sup> , 2008;
Headquarters	17th Floor, Sun Wah Tower, 115 Nguyen Hue, District 1, Ho Chi Minh City
Phone	(84 - 28) 3821 9930
Fax	(84 - 28) 3821 9931
Charter Capital	VND 100,000,000,000.



**2. Supervisory bank**

Bank name	Standard Chartered Bank (Vietnam) Limited
Operating license	Operating License No. 236/GP-NHNN issued by the State Bank of Vietnam on September 08 <sup>th</sup> , 2008 and the registration certificate of securities depository operations No. 08/GCN-UBCK issued by the State Securities Commission of Vietnam on May 07 <sup>th</sup> , 2015
Headquarters	Room 1810 - 1815, 18th Floor, Keangnam Hanoi Landmark Building, Lot E6, Pham Hung, Nam Tu Liem District, Hanoi City
Phone	(84 - 24) 3936 8000
Fax	(84 - 24) 3248 4355

**3. The organization authorized to provide transfer agent services**

Organization name	Vietnam Securities Depository Center
Operating license	Decision No. 171/2008/QD-TTg dated December 18 <sup>th</sup> , 2008 of the Prime Minister
Headquarters	112 Hoang Quoc Viet Street, Co Nhue 1 Ward, Bac Tu Liem District, Hanoi City
Phone	(84 - 24) 3974 7123
Fax	(84 - 24) 3974 7120
Authorized service	Transfer agent

**III. VIBF CERTIFICATE TRANSACTION INFORMATION:**

Trading date (T)	Periodically, on every Thursday, if the trading day falls on a public holidays or days off in accordance with the Law and/or holidays under the Internal policy/ regulations of the Fund Management Company will be moved to the next trading period.								
Subscription price	NAV/CCQ + subscription fee								
Redemption price	NAV/CCQ – redemption fee								
Investment programs	<p><b>VinaFlex flexible investment program:</b></p> <p>VinaFlex is introduced to help institutional Investor(s) and individual Investor(s) implement financial plans and diversify investment forms through their investment in VIBF Open-ended Fund Certificates flexibly.</p> <p><b>VinaSave savings and investment program:</b></p> <p>VinaSave is introduced to achieve two objectives:</p> <ul style="list-style-type: none"> <li>- To help businesses and employers offer a practical and effective employee benefit program to attract and retain talents as well as create conditions for employees to feel secure to work and contribute to the organization's long-term development strategy.</li> <li>- To help individual investor(s) and employees implement their personal financial plans through saving and investing in VIBF Open-ended Fund Certificates flexibly.</li> </ul>								
Subscription fee	<table border="1" data-bbox="639 1499 1414 1644"> <thead> <tr> <th data-bbox="639 1499 1073 1570">Flexible - VinaFlex</th> <th data-bbox="1073 1499 1414 1570">Savings - VinaSave</th> </tr> </thead> <tbody> <tr> <td data-bbox="639 1570 1073 1644">0%</td> <td data-bbox="1073 1570 1414 1644">0%</td> </tr> </tbody> </table>			Flexible - VinaFlex	Savings - VinaSave	0%	0%		
Flexible - VinaFlex	Savings - VinaSave								
0%	0%								
Redemption fee	<table border="1" data-bbox="639 1724 1414 1843"> <thead> <tr> <th data-bbox="639 1724 1008 1843">Holding period (days) (***)</th> <th data-bbox="1008 1724 1222 1843">Flexible - VinaFlex</th> <th data-bbox="1222 1724 1414 1843">Savings- VinaSave</th> </tr> </thead> <tbody> <tr> <td data-bbox="639 1843 1008 1850"></td> <td data-bbox="1008 1843 1222 1850"></td> <td data-bbox="1222 1843 1414 1850"></td> </tr> </tbody> </table>			Holding period (days) (***)	Flexible - VinaFlex	Savings- VinaSave			
Holding period (days) (***)	Flexible - VinaFlex	Savings- VinaSave							

From the 01st to 364th day	2.00%	2.25%
From the 365th day to the 729th day	1.50%	2.25%
From the 730th day onwards.	0.50%	0.00%

(\*\*\*)The holding period for each program is calculated as follows:

- **For VinaFlex:** The holding period is calculated for each specific purchase transaction. When The Investor(s) owning fund certificates exercises selling orders, the orders are exercised with the principle "first in, first out", which means that the Fund certificates with a longer holding period will be given the priority to be sold in advance, the next one is the Fund certificates with a shorter holding period.
- **For VinaSave:** The minimum holding period is two (02) years from the first successful transaction day, provided that during that time the Fund Certificate's balance is held by the investor(s) (in the account corresponding to the program) maintained over ten (10) fund certificates. If during the minimum holding period, The Investor(s) execute redemption orders, the balance of Fund Units is ten (10) or less, the minimum holding period is considered to be not completed, and the Investor(s) is subject to the redemption fee charged at the rate applicable to the holding period up to that time of failure. If the Investor(s) subsequently reinstates the Fund Certificate balance in the account to a level of more than ten (10) Fund Certificates, the minimum holding period will be re-counted from the date of balance restoring transaction, excluding the previous holding period.

Notes: Trading fee of the Fund certificates above is applied to the existing investments and new investments.

Switching fee	<table border="1"> <thead> <tr> <th data-bbox="639 201 1127 380">Number of switching in one (01) calendar year (*)</th> <th data-bbox="1127 201 1409 380">Fee apply to VinaFlex and VinaSave program</th> </tr> </thead> <tbody> <tr> <td data-bbox="639 380 1127 453">The first switching within one year (**)</td> <td data-bbox="1127 380 1409 453">0.00%</td> </tr> <tr> <td data-bbox="639 453 1127 569">The 2<sup>nd</sup> switching and onwards within the year</td> <td data-bbox="1127 453 1409 569">0.50%</td> </tr> </tbody> </table> <p data-bbox="639 596 1409 716">(*)Each calendar year is calculated according to the Fund's fiscal year, from the beginning of January 1st to the end of December 31st of every year.</p> <p data-bbox="639 758 1409 1020">(**)For each program participate in VIBF, the Investor(s) can only set one (01) switching order within (01) calendar year without switching fee. The Investor(s) only pay switching fee mentioned above calculated on total switching value, and do not pay the redemption fee for the existing funds and subscription fee for the target fund.</p> <p data-bbox="639 1062 1409 1314">Processing of switching orders: The switching order consists of 2 consecutive orders executed in the following order: Switch out and Switch in, where the payment of Switch out order come to the Target Fund on T + 4 day, thus, after receiving the cash mentioned above, the Switch in will be valid in the corresponding trading period.</p>		Number of switching in one (01) calendar year (*)	Fee apply to VinaFlex and VinaSave program	The first switching within one year (**)	0.00%	The 2 <sup>nd</sup> switching and onwards within the year	0.50%
Number of switching in one (01) calendar year (*)	Fee apply to VinaFlex and VinaSave program							
The first switching within one year (**)	0.00%							
The 2 <sup>nd</sup> switching and onwards within the year	0.50%							
Minimum subscription value	<table border="1"> <thead> <tr> <th data-bbox="639 1373 1027 1451">Flexible - VinaFlex</th> <th data-bbox="1027 1373 1409 1451">Savings - VinaSave</th> </tr> </thead> <tbody> <tr> <td data-bbox="639 1451 1027 1522">2,000,000 VND</td> <td data-bbox="1027 1451 1409 1522">500,000 VND</td> </tr> </tbody> </table>		Flexible - VinaFlex	Savings - VinaSave	2,000,000 VND	500,000 VND		
Flexible - VinaFlex	Savings - VinaSave							
2,000,000 VND	500,000 VND							
Minimum number of Fund Certificates for a selling order	<p data-bbox="639 1549 1409 1766">10 Fund Certificates, therefore, sell or switching order leaving the balance of Fund Certificates less than 10 will be executed with the remaining Fund Certificates as a whole. The reason is that the remaining Fund Certificates less than 10 will not be able to execute any sell order.</p>							

Minimum number of Fund Certificates per switching command	100 Fund Certificates
Cut-off time	10:30 am on T-1 day, the case of T-1 day falls on a public holiday prescribed by law or the policies of VinaCapital, the cut-off time will be moved to 10:30 am of the preceding working day. VinaCapital will provide specific notice to The Investor(s).
Time of NAV publication	Within T + 3
Term of trading confirmation	Within T + 3
Term of redemption payment to investor(s)	Within T + 4
Canceling the trading order	<p>The Investor(s)'s trading order will be canceled in the following cases:</p> <ul style="list-style-type: none"> <li>- The Fund has not received the cash for subscribing VIBF Fund Certificates before the end of (T-1) day;</li> <li>- The investor(s)' payment amount is lower than the value of the subscription order and the distributor has not executed any necessary adjustment procedures before the time specified in the Transfer Agent process. In this case, the Fund will refund the cash to the Investor(s) after deducting the bank transfer fees (if any) within four (04) days from the trading date.</li> <li>- The Investor(s) or authorized persons to make payment for the purchase cash of fund certificates with the remittance content without one or all of the contents in bold below: <ul style="list-style-type: none"> <li>• <b>[Full Name of Investor(s)]</b></li> <li>• <b>[Number trading accounts]</b></li> </ul> </li> <li>- Transactions are not eligible, not in compliance with the laws and/or the Prospectus, the Charter of VIBF.</li> </ul>

<p>Partial acquisition, suspension of trading</p>	<p>In some special conditions, the Company secures the right to only partially respond to The Investor(s)' selling order, purchase order, switching order but these cases are very rare. For more details, please kindly see Article 16 of the Charter of VIBF.</p>
<p>Closing account</p>	<p>Closing The Investor(s)' fund certificate trading accounts shall be conducted in the following cases:</p> <ul style="list-style-type: none"> <li>▪ The Investor(s) actively requests to close their accounts as Fund Certificates are no longer available in the trading account.</li> <li>▪ VinaCapital requests automatic closure of the account as the Investor(s)'s account has no balance within one (01) year in accordance with the Prospectus and the Fund Charter.</li> <li>▪ The Investor(s) requests to change their account's information in order to transfer all of the open-ended Fund Certificates owned by the Investor(s) from one trading account at the Distribution agent to the trading account opened at another Distribution agent.</li> </ul>
<p>Non-commercial transfer</p>	<p>Fund certificate non-commercial transfer is implemented in accordance with Article 15.1.12 of the Charter of VIBF and relevant laws.</p>
<p>Investment guide</p>	<p>Please see details at:</p> <p><a href="https://wm.vinacapital.com/huong-dan-dau-tu">https://wm.vinacapital.com/huong-dan-dau-tu</a></p> <p>Information about transfer for the subscription cash of VIBF Fund Certificates:</p> <ul style="list-style-type: none"> <li>- Beneficiary name: <b>VIBF</b></li> <li>- Account number: <b>90341629104</b></li> <li>- Bank name: <b>STANDARD CHARTERED Bank</b></li> </ul>

	<ul style="list-style-type: none"> <li>- Branch: <b>Ho Chi Minh</b></li> <li>- Amount: _____ <b>VND</b></li> <li>- Content: <b>[Investor(s)'s Name] - [Trading Account Number] -VIBFN003</b></li> </ul> <p><b><i>For example: Nguyen Van A - 911CXXXXXX – VIBFN003</i></b></p>
--	--

#### IV. INFORMATION ON OPERATING COSTS OF FUNDS AND TAXES

##### 1. Operating expenses of the Fund

Management fee	<p><i>Annual management fee</i></p> <p>Payables to the Fund Management Company: Management fees are calculated as a percentage of the Fund's NAV and monthly paid by the Fund to the Fund Management Company. The monthly collected fee amount is the total fee calculated for the pricing periods in a month.</p> <p style="text-align: center;"><b>Management fee for the valuation period = [1.75% x (NAV at the valuation date) x (the actual number of days in the period)]/365</b></p>	
Expenses paid to the supervisory bank	Custody fee	0.06% per year on NAV; minimum VND 17,000,000/month
	Fund services fee	0.04% per year on NAV; minimum VND 22,000,000/month
	Fund admin fee	0.03% per year on NAV; minimum VND 21,000,000/month
	Time of payment	Monthly; within the first 10 days of the following month
Transfer agent fee	Fixed monthly fee	VND 10,000,000/month

Service price for purchase/selling transaction	For the first 400 transactions of the month: Free. Transactions No 401 and thereafter: 0.01% of transaction value/1 transaction
Fees for setting up the Investor(s) and distribution agents, supervisory banks (for the first time)	Free
Fees for listing the exercise of rights	1,000,000/times of listing

- Other costs
- Brokerage fees for the Fund's transactions;
  - Printing expenses, for example, printing documents to the Fund Unit Owners or Fund Representative Board in accordance with the Laws and the Charter and other documents;
  - Independent valuation fee for specific Fund investments (only when necessary), for example, valuation of unlisted securities;
  - Expenses incurred at any General Investors Meeting or any meeting of the Fund Representative Board and operational expenses of the Fund Representative Board;
  - Fee paid to management agencies when applying for a certificate of public issue, certificate of fund establishment and other licenses or approvals as prescribed by Law;
  - Legal expenses related to the Fund's operations and transactions and other fees/expenses allowed by the Law;
  - Taxes and other compulsory fees as prescribed by law or as required by the competent state agencies applicable to the Fund; and
  - Other expenses allowed by Law or the Charter.

## 2. Policy of tax

The following summary is the prevailing tax tariff applicable to the transactions of Public Fund Investor(s) and may be changed from time to time in accordance with law. The Investor(s) should consult the relevant regulations or experts in the tax field to get the required information for their investment decisions.



The Investor(s)	Income tax on income generated from		
	Dividends	Selling fund certificates	Gifts/Inheritance
Vietnamese Resident individuals	5% (*)	0.1% of transaction value (*)	10% of gift/inheritance value is fund certificate higher than VND 10
Foreigners Resident individuals	5% (*)	0.1% of the transaction value (*)	10% of gift/inheritance value is fund certificate higher than VND 10
Domestic organization (established in Vietnam)	20%, except for distributed dividends being paid corporate income tax (*)	Profits from the sale of fund certificates shall be included in taxable income and settled annually at the rate of	Profits from gift/inheritance is fund certificates that will be included in taxable income and settled
Foreign organizations (established outside Vietnam's territory)	20%, except for distributed dividends being paid corporate income tax (*)	0.1% of transaction value (*)	0.1% of transaction value (*) (**)

(\*)Deduction at source

(\*\*)There are no specific regulations on taxation for foreign organizations accepting gifts/inheritance in the form of securities. However, receipt of gifts/inheritance will result in a transfer of Fund Units from the giver/to the inheritance of the recipient. As stipulated in the Circular No. 103/2014/TT-BTC, the tax levied on transfer transaction of securities is 0.1% transfer value and the tax will be deducted at source. However, The Investor(s) should consult the advice of a professional tax consultant to determine the corporate income tax rate levied on gifts/assets inherited form of securities for recipients of gifts/inherited assets are foreign organizations and fulfill tax obligations according to the provisions of the Law.

**V. RISKS WHEN INVESTING IN FUNDS**

Kind of risk	Description
Market risk	This risk arises when the asset markets in which the Investment Fund is declined partially or completely in a period of time. With the objective elements of the market affecting the Fund's operations, so subscription and redemption price may change over time.
Interest rate risk	Interest rate risk is the risk that the fair value or future cash flow of financial instruments that the Fund invests will fluctuate due to changes in market interest rates or due to changes in monetary supply and demand and Other macroeconomic factors. Interest rate risk directly affects bonds and indirectly affects stocks.
Credit risk	Credit risk is the risk when the bond issuer that the held Fund is unable to pay interests and principal.
Payment risk	The liquidity of the Fund may be affected temporarily due to some debt securities with low liquidity and the Fund may not be able to immediately sell the stocks at the best prices when demand in urgent asset liquidation of assets in order to meet the Investor(s)' demand in reselling a large amount of fund certificates (if any)
Legal risks	Vietnam's stock market and related legal framework are still relatively young, so there are still legal risks in the context that the government is still in the process of finalizing and adjusting the legal framework for stock activities and stock market. These adjustments may affect the Fund's operation or future asset value.
Exchange rate risk	Upon investing in the Fund, Foreign Investor(s) may face short-term exchange rate risk if the devaluation rate of VND is faster than the devaluation rate of other currencies, especially when the economy has high inflation and trade deficits.
Investment strategy risks	This risk occurs in case other the Investor(s) in the market have not correctly identified the value of these companies or the basic elements of the Fund does not expect to help its stock price increase up to the real value valued by the Fund.
Re-investment risk	This is a particular risk of bond investments when cash flows from bonds are reinvested at an interest rate lower than the market rate at the time the bond is initially invested. This risk occurs when market interest rates tend to decrease.
Pricing risk	This is the risk that the discount rate used for valuation differs from the actual interest rate, which makes the value of assets purchased/sold different from the

	<p>book value. Discount rates are used for pricing based on interest rates listed on HNX, VBMA, Bloomberg or Reuters. This is the official reference interest rate commonly used at professional financial valuation and investment institutions under the uniform valuation method in Vietnam and also simulates the valuation practice commonly used in valuation organizations, professional financial investment organizations around the world. Depending on the time and quality of the input information, this interest rate may not be close to the actual transaction rate.</p>
<p>Risks associated with compulsory dissolution</p>	<p>The Fund faces the risk of compulsory dissolution if Net Asset Value is less than ten billion Vietnamese Dong (10,000,000,000 VND) for six (6) consecutive months. In this case, the General Meeting of The Investor(s) will be convened to decide on the liquidation of the Fund or merger of the Fund with other funds, depending on which plan is most beneficial to the Owners of the Fund Units.</p>
<p>Fund Management operation risks</p>	<p>This is a risk when not all investment decisions of the Fund Management Company are profitable or meet expectations at the time of making these investments or when the principal investment staff of The Fund Management Company suddenly terminates and the Fund Management Company does not find an immediate replacement due to a number of specific requirements for the Fund's operator in accordance with the regulations of the State Securities Commission of Vietnam and it takes time for the Fund Management Company to appoint replacement personnel to meet these requirements.</p>
<p>Risks due to force majeure events</p>	<p>Here are the risks that may suddenly and dramatically influence on the value of all or some of the Fund's assets when the Force Majeure Event happens objectively, unforeseen and cannot overcome despite taking all necessary measures in permitted ability.</p>
<p>Risk of lack of risk prevention tools</p>	<p>In accordance with the law, the Fund is allowed to use derivative securities listed for hedging purposes. However, derivative instruments are currently not developed, so it is unlikely that suitable tools will be available for hedging. Therefore, the Fund Management Company will simultaneously apply many other risk management methods mentioned above to minimize risks for the Fund and Fund Certificate Holders.</p>



**VINACAPITAL FUND MANAGEMENT JOINT STOCK COMPANY**

**General Director**

**(Signed & Seal)**

**Nguyen Thi Thai Thuan**