

Hanoi, 16 December 2011

CIRCULAR

Guiding the establishment and management of Open Ended Funds

Pursuant to the Securities Law dated 29 June 2006;

Pursuant to Enterprise Law dated 29 November 2005;

Pursuant to Amended Law amending and supplementing a number of articles of Securities Law dated 24 November 2010;

Pursuant to the Decree No. 118/2008/ND-CP dated 27 November 2008 by the Government stipulating functions, duties, powers and organizational structure of the Ministry of Finance;

The Ministry of Finance hereby guides the establishment and management of Open-Ended Funds as follows:

CHAPTER I GENERAL PROVISIONS

Article 1. Scope of governing and applicable entities

This Circular provides guidance on the mobilization of capital for establishment and management of Open-Ended Funds and operations of Fund Management Companies, Supervisory Bank, Distribution Agents and providers of services related to the management of Open-Ended Funds within the territory of the Socialist Republic of Vietnam.

Article 2. Interpretation:

In this Circular, the following terms shall be construed as follows:

1. *Soft commission* means a fee which is not directly paid in cash, but included with other valid costs.
2. *Omnibus agents* mean distribution agents which open omnibus accounts in its name and conduct transactions of fund certificates on behalf of investors in the sub-account..
3. *Distribution agents* mean organizations providing securities related services, custodian bank, commercial banks and insurers, which have registered the operation of distributing open-ended fund certificates.

4. *Average annual net asset value of a Fund* means the total net asset value of such Fund determined at the time of valuation divided by the number of fund certificate trading days during the year.

5. *Liquidation value* of a share is determined by the value of owner's equity of an issuer divided by such issuer's total number of shares in circulation.

6. *Big investment items of a fund* is the investment in valuable papers and securities issued by the same issuer (including monetary market instruments, instruments of transfer, securities following the regulations stipulated in points b, d, e, Clause 2, Article 15 herein) with the total value accounting for five percent (5%) or more of the total asset value of the Fund.

7. *Fund consolidation* means the consolidation of two open-ended funds or more (hereinafter referred to as consolidated funds) into a new open-ended fund (hereinafter referred to as consolidation fund) by transferring all assets, rights and legal interests, debts and obligations of consolidated funds to the consolidation fund, as well as terminating the existence of consolidated funds.

8. *Personal profile* includes information in the form prescribed in Appendix 7 of this Circular, a notarized copy of ID card, passport or other personal lawful identification.

9. *Days* mean trading days.

10. *Valuation date* means the date the fund management company determines the net asset value of funds following regulations of Securities Law

11. *Trading date of fund certificates* means the date when the fund management company, on behalf of the funds, issues or repurchase open-ended fund certificates.

12. *Supervisory bank* means a commercial banks having Registration Certificate on securities depository activities, appointed by a Fund Management Company to conduct depository activities and to supervise the management of the fund.

13. *Beneficiaries* mean organizations, individuals whose names are not registered as owners of assets, however, have all ownership rights toward such assets.

14. *Groups of companies with ownership relationship* mean holding companies, subsidiaries, joint venture, and associated companies.

15. *Fund's portfolio management* includes investment research and analysis; development and execution of investment strategies and tactics; determination of portfolio structure, types of assets for investment and investment capital withdrawal, determination of the time for investment execution and investment capital withdrawal.

16. *Funds* mean open ended funds defined as at clause 30, article 6 of the Securities Law 2007

17. *Bond funds* mean open ended funds which aim to invest in bonds of various types, valuable papers. At least eighty percent (80%) of the net asset value of such funds is invested in such assets.

18. *Fund merger* means the incorporation of one open-ended fund or several open-ended funds (hereinafter referred to as merged funds) into another open-ended fund (hereinafter referred to as surviving fund) by transferring all assets, rights and legal interests, debts and obligations of merged funds to merging funds, as well as ending the existence of merged funds.

19. *Main Register book of investors* (hereafter referred as Main Register book) means written documents or electronic files or both recognizing information of investors entitled to fund certificates.

20. *Sub- Register book of Investors* (hereafter referred as Sub-Register book) mean Register book of Investors prepared and managed by Distribution Agents as authorized by Fund Management Company.

21. *Quarterly average number of fund units* is equal to the total number of circulating fund units at the end of a fund certificate trading day divided by number of trading days of fund certificates in the quarter.

22. *Trading account for open-ended fund certificate* mean accounts through which investors buy, sell, own certificates of one or more open-ended funds managed by the fund management company. Transferring agency service provider opens and manages the trading account for open-ended fund certificate. This account has two types:

a) *Investor's account* means an account owned by and opened under the name of investor.

b) *Omnibus account* means an account owned by investors at Sub-register level and under the name of distribution agent. This account shall be divided into separate, independent sub-accounts in correspondence to each investor's Sub-register book.

23. *Cash current accounts for clearing fund certificate transactions* mean cash accounts which omnibus agents open at Supervisory Bank and to execute the payment for fund certificate transactions only.

24. *Independent Members of the Board of Fund Representatives* mean members other than affiliated persons of fund management companies, Supervisory Bank

25. *Closing of order book* means the deadline for distribution agents to receive dealing orders from investors that shall be executed on fund certificate trading days. The closing of order books shall be specified in Funds' Charters and declared in Prospectus or Simplified Prospectus and shall be no later than 11.30am on the day immediately prior to the fund certificate trading day.

26. *Quotation services providers* mean securities business organizations, financial institutions which are allowed to trade in foreign exchange, bond quotation systems, valuation organizations which are operating legally and are selected by Fund Management Companies for asset appraisal or provide prices of assets which are not listed securities or securities registered for trading

27. *Related services providers means custodian banks, Securities Depository which provide one or all of following activities:*

a) Fund administration services:

- Make accounting records of transactions of a Fund: record the changes of cash inflows and outflows of the Fund;
- Preparing the Fund's financial statements; coordinating with and assisting Fund's auditing organizations in performing audits for the Fund;
- Determining the Fund's net asset value, the net asset value per fund certificate unit in accordance with legal regulations and the Fund's Charter;
- Carrying out other activities in accordance with legal regulations and the Fund's Charter.

b) Transfer Agent services:

- Preparing and managing the Main Register of investors; opening, tracking and managing the system of investors' trading accounts, omnibus accounts; confirming the ownership of open-ended fund certificates;
- Making records of buying orders, selling orders, switching orders of investors; carry out the ownership transfer of fund certificates; updating Main Registers;
- Supporting investors in implementation of rights related to the ownership of fund certificates of investors;
- Organizing meetings of the Board of Representatives of the Fund, General Meetings of Investors of the Fund; maintaining the communication channel with investors, distribution agents, state competent authorities and other competent organizations;
- Distributing to investors financial statements, fund operations reports, prospectus, simplified prospectus, trading account statements, transaction confirmations and other documents required to be provided for investors;

30. *Average annual rate of return* of a Fund is equal to the profit before tax of the Fund for the year divided by the average annual net asset value of such Fund.

31. *Charter capital of open-ended fund* means a capital mobilized during the initial offering of certificate issuance.

CHAPTER II

ESTABLISHMENT AND MANAGEMENT OF OPEN-ENDED FUND

SECTION I

ESTABLISHMENT OF OPEN-ENDED FUND

Article 3. Type and name of Funds

1. A Fund's name may be in Vietnamese, accompanied with letters, numbers and symbols, shall be pronounceable and have at least two components below:

- a) Phrase "Investment Fund";
- b) Fund type, consistent with investment objectives and policies, portfolio structure and asset investment.

2. The name of the Fund shall comply with provisions of applicable laws on enterprise. The State Securities Commission has the right to require Fund Management Companies to change Funds' names so that they may be consistent with related legal regulations.

Article 4. Registration documents for initial public offering of fund certificates

1. A registration dossier for initial public offering of open-ended fund certificates shall include:

- a) The registration form for offering fund certificates to the public in the form as specified in Appendix 1 attached herewith;
- b) The Fund's Charter;
- c) The prospectus, the Simplified prospectus;
- d) The list enclosed with personal profile of fund management staffs;
- e) Memorandum of Understanding on supervision; principle contracts signed with related service providers (if any) including the contents as stipulated at Appendix 32 attached herewith; principle contracts signed with omnibus agents; principle contracts on fund certificate distribution; principle contracts on provision of fund administration services (if any);

In the event that the service providers are distribution agents, omnibus agents who have not been granted with Certificates of registration of fund certificate distribution, such service providers must supplement registration documents for open-ended certificate distribution as specified in Clause 3, Article 39 hereof.

f) Advertising documents, information on introduction of funds as specified in Clause 1, Article 42 herein (if any);

g) In case Fund Management Companies have no plan to organize first Investors' General Meetings, they shall supplement the following additional documents with investors' approval:

- The list enclosed with personal profile and other valid documents proving that Fund Representative Boards satisfy the provisions of clauses 2, 3 and 4, Article 28 of this Circular;
- Documents related to other issues require investors' approval.

2. The registration dossier for initial public offering of fund certificate shall be made into 01 original attached with electronic files. The original set shall be sent directly to the State Securities Commission's administrative division or sent by post.

3. Information contained in the dossier must be correct, truthful, and non-misleading and contain sufficient important contents affecting investors' decisions. The relevant Fund Management Company shall be responsible for the information and documents in the dossier.

4. While the dossier is considered, Fund Management Company is obliged to amend, supplement dossier if detected to include incorrect information, or omit important contents required by laws; or when incurring significant information related to registration dossier for initial public offering, or deeming necessary to further explain on information which may be misled, Fund Management Company shall enclose such arisen information as prescribed at clause 3 Article 5 of this Circular, and shall amend, supplement dossier to the State Securities Commission. Amended and supplemented documents shall be signed by the person who initially signed the registration dossier or person with similar titles.

5. Within thirty (30) days from the full receipt of valid documents as specified in Clauses 1 and 2, of this Article, the State Securities Commission shall grant registration certificates for offering open-ended fund certificates to the public. In case of refusal, the State Securities Commission shall issue a written reply clearly stating the reasons for such refusal.

6. Certificate for Registration for offering open-ended fund certificates granted to Fund Management Companies by the State Securities Commission is the document to certify that registration dossiers for initial public offering of open-ended fund certificates have satisfied all conditions and procedures as stipulated by applicable regulations.

7. During the period when the State Securities Commission review registration dossier for offering open-ended fund certificates, Fund Management Company and related persons shall only honesty and accurately employ information in the prospectus sent to State Securities Commission, for the purpose of exploring market and must clearly state that all such information is not official. The provision of information aims to explore market, shall not be performed through mass media.

Article 5. Offering of fund certificates

1. The initial public offering of fund certificates shall be made only:

a) After the Certificate for registration for offering fund certificates is granted by the State Securities Commission; and

b) Fund Management Company must guarantee buyers have access to the prospectus, simplified prospectus enclosed with registration dossier for offering open-ended fund certificates at distribution agents mentioned in issuance notice.

2. Within fifteen (15) days at minimum prior to the date of initial public offering, Fund Management Companies shall send an offering memorandum to State Securities Commission and publish under the provision of The Ministry of Finance on registration dossier for securities offering via mass media as stipulated at Clause 3 this Article.

3. The disclosure of information shall be conducted through media as below:

a) Publications, electronic portals of Fund Management Companies and Distribution Agents, omnibus agents; or

b) Other mass media consistent with applicable regulations;

4. Fund management company, distribution agents, underwriters (if any) must distribute fairly, publicly and guarantee minimum twenty (20) days for fund certificates' registration; this term must be mentioned in the offering memorandum.

5. Purchase of fund certificates from initial public offering shall be transferred into escrow account opened at Supervisory bank until State Securities Commission approves the Certificate for registration. Supervisory bank is responsible for paying minimum interest which is equal to floating interest rate over the period of the escrow.

6. Fund Management Company must complete the issuance of fund certificates within ninety (90) days from the effective date of the Certificate for registration for offering fund certificates. In case such issuance can not be completed within this period, Fund Management Company shall propose the State Securities Commission to consider the extension of the fund certificates issuance.

Within seven (07) days from the receipt of the proposal of Fund Management Company, the State Securities Commission shall consider the extension of fund certificates issuance, but not more than thirty (30) days. In case of refusal, the State Securities Commission shall reply in writing and state the reasons.

7. The suspension, cancellation of the offering shall be performed under the provisions of Article 22, 23 of Securities Law.

Article 6. Registration for fund establishment

1. Within ten (10) days after the closing date of initial public offering, Fund Management Company must send to the State Securities Commission dossiers to register for fund establishment including:

a) Application for Fund establishment in the form as specified in Appendix 9 promulgated with this Circular;

b) Summary report on offering results following the form prescribed in Appendix 10 attached to this Circular, and the Supervisory bank's written confirmation on the proceeds gained from the offering;

c) The list of omnibus agents and all investors including investors trading on the account of omnibus agents following the form at Appendix 11 as attached herewith, together with the below information:

- For omnibus agents: Full names, abbreviated names and trading names, number of Establishment and Operation Licenses/Business Registration Certificates of omnibus agents; The number of investors registering for trading on omnibus accounts; the number of fund certificates on omnibus accounts.

- For investors: Full name, identification number or valid passport number, contact address (for individuals); Full name, abbreviation names, number of incorporation certificate, head office's address (for institutions), number of securities trading account for open ended

funds, trading method (via omnibus agents or distribution agents); number of holding fund units, holding ratios, date of purchase;

d) The written report of investors' opinions about contents related to the provisions of Point g, Clause 1, Article 4 of this Circular.

2. Registration dossier for fund establishment shall be established as specified in Clause 1 this Article in 01 original set enclosed with electronic files. The original dossier is sent directly at the administrative service of the State Securities Commission or by post.

3. Within ten (10) days, from the date of full receipt of valid documents, the State Securities Commission shall issue the Certificate for Fund establishment registration. In case of refusal, the State Securities Commission shall make a written response specifying the reasons for such refusal.

4. Immediately after Certificate for Fund establishment registration takes effect, Fund Management Company shall be allowed to release their blocked capital at Supervisory bank to make investments. The payment of interest for such blocked capital shall be made by Supervisory bank in accordance with agreement signed with Fund Management Company.

5. Within fifteen (15) days after the closing date of initial public offering of fund certificates, the Fund Management Company shall publish information in accordance with regulations in Clause 3, Article 5 of this Circular, report to the State Securities Commission, bear all expenses, financial obligations arising from capital mobilization and fully repay to investors, including interest (if any), in the occurrence of one of the following cases:

a) There are less than one hundred (100) investors, exclusive of professional securities investors, purchase fund certificates;

b) The total value of capital mobilized is less than fifty (50) billion Vietnam dong or is lower than the minimum of estimated mobilization fund under the provisions of Fund's Charter (if any);

c) Failure to complete the distribution of fund certificates meeting with the provisions of Clause 6, Article 5 of this Circular.

Article 7. Registers of investors, ownership certification

1. Within five (05) days after Fund establishment registration certificate take effect, Fund Management Company or related services providers about transfer agent authorized by Fund Management Company shall prepare and manage Main register of investor (Main Register) and confirm investors' ownership of fund certificates. The fund management companies are entitled to authorize omnibus agent in foreign countries to manage Sub – Register books and to confirm the ownership of fund certificates for investors in foreign countries. The authentication to related service providers is conducted following the principles set up in the agreement signed between related parties which must at least include the provisions as stipulated at Appendix 32 attached herewith.

2. Main Register shall comprise the following contents:

a) Name, head office's address of Fund Management Company; Name, head office's address of Supervisory bank, depository bank (if any); full name of the fund;

b) Investor's information include:

For individual investors: Full names, numbers of valid ID card or Passports; Addresses, telephone numbers and email addresses (if any);

For institutional investors: Full names, abbreviated names, trading names, registered office addresses, numbers of establishment and operation licenses/business registration certificates; Full names, numbers of valid ID Card or passports, telephone numbers, email addresses of persons authorized by institutional investors to execute fund certificate transactions;

c) The number of investor's account, or the number of personal sub – accounts, attached with the number of omnibus accounts of omnibus agent; securities trading codes (with respect to foreign investors)

d) The number of fund certificates held; the date on which investors are named (in the Main Register).

3. Omnibus agents shall be allowed to open and manage sub-registers of investors (Sub – Registers) on the basis of contracts signed with Fund Management Companies or related service providers. Such sub-registers of investors shall include all information about investors as prescribed in clause 2 of this Article. Any costs arising out of the management of such sub-registers of investors shall not be accounted into the fund expenses.

4. Within three (03) days from the day on which transactions are made or upon written requests of investors in the form provided in Appendix 12 attached herewith, Fund Management Companies, omnibus agents, related services providers shall be responsible for adjusting the information about investors contained in Main Register, Sub-Registers as follows:

a) Fund certificate transactions between funds and investors via fund management companies on fund certificate trading days;

Non-commercial transactions such as changing owner's name in case of gift, present, inheritance or transfers of ownership under court judgments and other cases as set out in applicable laws;

b) Transfers of fund certificates from omnibus account to investor's account, and vice versa.

d) Changes of information about investors;

5. Fund Management Companies, related services providers shall at any time have sufficient information about the ownership of each investor, including those trading on omnibus accounts. Information about assets of investors in main registers of investors, including investors trading on the account of omnibus agents shall be the evidence confirming investors' ownership

of fund certificates. Investors' ownership shall be established at the time when information about investors' ownership is updated into Main Registers.

Article 8. Fund's charter, prospectus and simplified prospectus

1. Fund's charter is initially issued by fund management company following the form at Appendix 02 as attached herewith. Investors registering for purchasing fund certificates are considered to have approved the fund's charter. In the event of amendments, supplements to issued fund's charter, the Fund management company shall collect opinions from the Investors' General Meeting on any amendments of or supplements to the fund's charter. Where authorized by the Investors' General Meetings or provided in the fund's charter, the following amendments or supplements shall not require opinions from the Investors' General Meetings:

a) Any amendments, supplements or modifications due to the change in applicable regulations;

b) Grammatical or spelling errors in the fund's charter.

2. Within 07 days from the date of amending, supplementing the fund's charter, the fund management company shall report to the State Securities Commission following the provisions stipulated in Appendix 29 attached herewith, as well as disclose such changes via methods prescribed in Clause 3, Article 5 of this Circular and other relevant provisions of Ministry of Finance on Organization and Operation of Fund Management Companies.

3. A prospectus shall include all information in the form provided in Appendix 03 attached herewith. The prospectus shall be updated when significant information arises or periodically according to the frequency specified at Fund's charter. Within fifteen (15) days from the date on which the updated prospectus is filed to the State Securities Commission, in case no written objection is received, the fund management company shall be allowed to provide the updated prospectus for related service provider, distribution agents and investors.

4. The fund management company shall prepare a simplified prospectus at least at least including the contents set out in Appendix 04 attached herewith.

5. The prospectus and the simplified prospectus shall be in an easily understandable format, shall use few terminologies and shall be posted on the electronic portal (website) of the fund management company, related service provider and distribution agents, and shall be available upon request and free of charge to investors.

SECTION II

TRANSACTIONS ON OPEN-ENDED FUND CERTIFICATE

Article 9. Investor's Account, Omnibus Account

1. For investors who initially trade fund certificates, fund management companies, related services providers or distribution agents shall collect investor's identification and beneficiary

information (if any) and open fund certificate trading accounts for investors on the basis of fund certificate trading proposals in the form defined in Appendix 20 attached herewith. Investors shall be entitled to select among the following fund certificate trading account types:

a) Personal accounts, in the name of the investor (hereby referred as investor's accounts following point a Clause 22 Article 2 this Circular);

b) Sub-trading account under the name of omnibus account following point b Clause 22 Article 2 this Article (referred to as investor's sub-account)

2. Before signing contract and opening trading accounts, sub-trading accounts for investors, fund management company is responsible for conducting or requesting related service providers, omnibus agents, distribution agents to collect and verify information of investors following the contents stipulated in Appendix 33 attached herewith. In case investor's information is not provided, fund management companies, related service providers, distribution agents shall reserve the right to refuse to open accounts, sub – accounts for investors.

3. Investor's accounts/ Investor's sub-accounts shall include the following contents:

a) Numbers of fund certificate trading accounts/sub-trading accounts;

b) The number of fund certificate;

c) The number of increased/decreased fund certificates, reasons for such increase/decrease;

d) Other information about investors as prescribed in clause 2, Article 7 of this Circular.

4. The management of investor's accounts, omnibus accounts shall be subject to the following principles:

a) Fund management companies or related services providers shall open and manage accounts independently and separately to omnibus agents' and investors' level. Distribution agents shall be responsible to update information on the opening and closing of investor's accounts to fund management company or related services provider on information of opening, closing personal account

b) Omnibus agents must open and manage sub-accounts independently, separately to each investor, and shall be responsible for updating daily fund management company or related services provider on information of opening, closing personal sub-accounts. The total balance of personal sub-accounts of investors must equal to the balance of the omnibus account of omnibus agents, the detailed balance of each personal sub-account must match with such investor's ownership data contained in the Main register.

c) Omnibus agent must provide the information of each investor's personal sub-account for fund management company or related service providing institutions; regularly reconcile the balance of each sub-account which must match with ownership data at Main register book. This provision is not applied for overseas omnibus agents.

5. Fund management companies or related service providers, omnibus agents shall be

responsible for providing account statements, sub-account statements to investors within two (02) days from the day when written requests are received from such investors.

6. Before opening accounts, sub-accounts for trading fund certificates, foreign investors must register for securities trading code following the regulation on investment activities of foreign investors in securities market of the Ministry of Finance. The provisions in this Clause are not applicable to investors outside the territory of the Socialist Republic of Vietnam and conducting transactions via the omnibus account of offshore omnibus agents.

7. Before opening omnibus account, foreign omnibus agents must register for securities trading code following the regulation on investment activities of foreign investors in securities market of the Ministry of Finance.

8. Organisations providing distribution agent, omnibus agent services must update fully, timely and accurately the securities trading accounts, and ownership status of foreign investors and fully, timely provide such information to authorized regulators in written notice. This regulation is not applicable to offshore omnibus agents opening omnibus accounts following the regulation stipulated at Clause 7 this Article.

Article 10. General provisions on fund certificate transactions

1. Within thirty (30) days from the effective date of certificate for fund establishment registration, a Fund management company shall arrange the trading of fund certificates for investors. Open-ended fund certificate trading activities shall be arranged periodically, in accordance with the Fund's Charter and must be published at Prospectus and the simplified Prospectus. The trading frequency shall not be less than twice per month.

2. Trading orders shall be sent to distribution agents announced in the prospectus and the simplified prospectus or published on the website of fund management companies, or sent to the fund management company or the related service provider. The fund management company or the related service provider shall set up a trading order receiving system ensuring that investors in Vietnam may place trading order at all distribution agents named in the prospectus and the simplified prospectus or publish such information on the website of fund management company.

3. Distribution agents shall be only authorized to receive trading orders from investors when order forms are filled with full and accurate information in the form provided in Appendix 21 attached herewith. Order forms shall be recorded by distribution agents in accordance with applicable regulations on securities. Where investor's trading orders are received via internet, telephone, fax, distribution agents shall comply with regulations on electronic trading and Law on securities, as well as ensure the below:

a) Fully, timely and clearly record the time for receiving orders, persons receiving orders from investors;

b) Where orders are received via telephone or fax, it must be reconfirmed with investors prior to execution and investors shall be required to provide original orders signed by them to

record evidence of the placing of orders of investors. The time on which original orders must be provided shall be set out by the fund management company and distribution agents in the fund's charter and specified in the prospectus.

4. The fund management company or the related service provider shall only execute orders received before the closing of the order book. Depending on the provisions of the fund's charter or prospectus, orders received after the closing of the order book shall be cancelled or shall remain valid in order to be implemented in the next fund certificates trading days.

5. Within three (03) days from the date on which fund certificates are traded, the fund management company or the related service provider, the omnibus agents shall be responsible for updating full and accurate information on post-trading holdings of investors named in the Main Registers and sending to such investors trading confirmations in the form defined in Appendix 22 attached herewith.

6. Within two (02) days after the date on which fund certificates are traded, if the distribution agent detects any transaction errors or mistakes during the course of collecting information from investors, receiving orders, transferring and entering orders into the system of the distribution agent, the distribution agent must advise the fund management company or the related service provider and request for the correction of such transaction errors. Beyond such period, distribution agents shall be responsible for such transaction errors or mistakes to investors.

7. The fund management company, the related service provider and the distribution agents must maintain an order book containing sufficient information on fund certificate trading orders of investors in the form specified in Appendix 23 attached herewith.

8. Where a fund management company has raised two or more open – ended funds and there are provisions in the Fund's Charter and the Prospectus which allow investors to switch between funds. The order for fund switching will be done on the following principles:

a) Selling orders for certificates of fund which is sold shall be made first, then implement the purchase order of the target fund certificates;

b) The orders are carried out in trading day of related fund certificates.

c) Investors only have to pay switching fee (if any) in line with the Fund's Charter, and do not pay selling fee, purchase fee on orders implemented in accordance with Point a, b of this Article.

9. Fund management companies, affiliated persons of fund management companies are allowed to make capital contribution, trade fund certificates of open ended funds of the fund management companies at the same price as that of other investors following the regulation stipulated at Article 14 this Circular.

Article 11. Fund certificate buying orders

1. The execution of buying orders of investors and omnibus agents shall comply with the

following principles:

a) Buying orders shall be accompanied by valid documents certifying that the investor have completed the payment into the fund's account or being verified by supervisory bank as prescribed in point c this clause. Omnibus agents make settlement based on the difference between values of purchase and sale orders, settlement time is conducted following the provisions in the Contract between transfer agents and omnibus agents;

b) Such payment shall be made in the form of electronic transfer or other forms as defined in the fund's charter and announced in the prospectus. Investors shall make payment for fund certificate transaction directly into account of fund that being established as stipulated in clause 2 of this Article, and shall not make payment into account of distribution agent;

c) The supervisory bank confirms with the fund management company or related service provider that it has received sufficient money from investors, omnibus agents;

d) The trading value of such buying orders shall not be less than the minimum buying value (if any) as specified in the fund's charter and the prospectus;

e) The number of fund units sold to investors or omnibus agents can be fractional in the form of a decimal number, which shall be rounded to two decimal places.

2. The fund management company shall open a cash account for the fund at the supervisory bank to receive payments for purchase of fund certificates of investors or omnibus agents. Omnibus agents shall open deposit accounts for clearing fund certificate transactions at the supervisory bank as provided in point e, Clause 3, Article 40 of this Circular to accept deposit for clearing transaction of investors trading on omnibus account.

3. Proceeds collected from the sale of fund certificates are transferred to the cash account of open ended fund placed at supervisory bank and can only be disbursed for investment after the trading day of the fund certificates. Fund management company, supervisory bank are responsible for paying interests to investors, at floating rates (at minimum) for the period between the date fund receives payment for trading fund certificates from investors.

Article 12. Fund certificate selling orders

1. The execution of selling orders of an investor and omnibus agent shall comply with the following principles:

a) Selling orders shall be executed only when the fund management company, distribution agent, omnibus agent or the related service provider ensures that the investors have a sufficient number of fund units to sell as required, and the number of fund units remaining after the transaction of investors is not less than the minimum number (if any) required to maintain the personal account, personal sub-account as specified in the fund's charter and declared in the prospectus;

b) Selling orders may be unexecuted, or executed partially only may be not executed as prescribed in Clause 1, Article 13 of this Circular;

c) Payments shall be made in the form of transfer or other forms upon written requests of investors or omnibus agents;

d) Payment period shall be specified in the fund's charter and declared in the prospectus, but shall not exceed seven (07) days from the date on which such fund certificates are traded. Where set out in Clause 3 of Article 13 and after the fund representative board approves in writing, then payment may be delayed but shall not exceed thirty (30) days from the date on which such fund certificates are traded.

2. Within the period of three (03) days from the date of receipt of payment as stipulated in point d, Clause 1 of this Article, omnibus agents shall be responsible for completing payments for investors.

3. Where permitted by the fund's charter or the prospectus, the fund management company may transfer a part of the investment portfolio in lieu of cash payment to investors. The transfer of investment portfolios shall meet the following conditions:

a) The transfer of investment portfolios shall be made only when the fund management company deems it necessary to not affect net asset value of the fund. The payment must be approved in writing by the representative board and shall be reported to the next investors' general meeting;

b) The payment is approved by the investors (transfer receiver) in writing;

c) Only implemented for selling orders with the total payment value exceeding VND fifty (50) billion or a higher value as specified the fund's charter and declared in the prospectus;

d) The structure of portfolio transferred to investors must be the same with that of the fund's investment portfolio, ensuring the conformity of asset types, structure and proportion of each type of assets in the fund's investment portfolio.

4. The supervisory bank shall be responsible for checking and certifying that the transfer is in line with provisions in Clause 3 of this Article.

Article 13. Partial redemption, suspension of trading of open-ended fund certificate transactions

1. The fund management company shall be allowed to satisfy part of an investor's selling, buying or switching orders under the following circumstances:

a) The total value of sale orders(including sale orders for swap) minus the total value of purchase orders (including purchase orders for swap) on the trading day of fund certificates exceeds ten percent (10%) of the net asset value of that fund; or

b) The implementation of all of the investor's trading orders shall lead to the fact that:

- The net asset value of the fund is lower than VND fifty (50) billion; or

- The value of remaining fund units on the investor's account is lower than the minimum value required or the minimum amount of fund unit for maintenance of such account as specified in the fund's charter and announced in the prospectus (if any); or

- The remaining net asset value or the number of remaining fund units is lower than the minimum net asset value or the minimum number of fund units in circulation as stipulated in the fund's charter and declared in the prospectus (if any); or

- The number of fund units in circulation exceeds the maximum quantity (if any) as stipulated in the fund's charter and announced in prospectus; or

- Other cases as stipulated in the fund's charter and declared in the prospectus.

2. For redemption of the remaining part of selling/switching orders that were partly executed as mentioned in Clause 1 of this Article, the fund management company shall be entitled to apply one of the two following principles as provided in the fund's charter and declared in the prospectus:

a) Principle of timing priority: orders sent to the fund management company or the related service provider first shall be executed first; or

b) Principle of pro-rata: the remaining part of orders shall be added to subsequent orders for execution, ensuring the pro-rata between the executed value and the registered value for trading.

3. For the events as set out in point a, Clause 1 of this Article, if execution is allowed by the fund's charter, and the prospectus, the fund management company may extend payment period, which shall not exceed 30 days from the fund certificate trading day.

4. Open-ended fund certificate transactions may be suspended in where one of the following events happens:

a) Force majeure condition;

b) It is impossible to determine the net asset value of the fund at the date of repurchase price of open-ended fund certificates opened by the Securities Exchange decide to suspense securities trading in fund's portfolio.

c) Other cases as prescribed in the fund's charter or the State Securities Commission deems necessary.

5. The fund management company shall report to the fund representative board and SSC, within 24 hours, since the occurrence of events specified in Clause 4 of this Article and shall have to resume the repurchase orders of open-ended fund certificate after such event ends.

6. Duration for suspension of fund certificate trading shall be set out in the fund's charter, but shall not exceed three (03) months from the last fund certificate trading day.

7. Within maximum period of thirty (30) days, from the end of suspension of fund certificate trading period as provided in clause 6 of this Article, the fund management company shall organize an investors' general meeting to consult investors of the dissolution, segregation of the fund or the extension of the suspension duration.

8. Within the time frame to convene the investors' general meeting, if the reasons for such suspension of fund certificate trading end, the fund management company may cancel the convention of the investors' general meeting.

Article 14. Initial issuance price, selling price and redemption price of open-ended fund units

1. The initial issuance price of an open-ended fund unit in the initial offering shall be specified by the fund management company in the fund's charter and declared in the prospectus.

2. The selling price of a fund unit, means a price that investors must pay fund management company, shall be determined by the net asset value per a fund unit as of the fund certificate trading day plus issuing fee (if any).

3. The repurchasing price of a fund unit, means a price that fund management company must pay investors, is determined by the net asset value per a fund unit as of the fund certificate trading day minus redemption fee (if any).

4. Redemption fees, fees for issuance, switching fees can be defined with different levels, based on fund certificate holding periods, investment objectives, or investment values. These fees shall be clearly provided in the fund's charter and declared in the prospectus. The maximum issuance fee shall not exceed five percent (5%) of the transaction value. The redemption and switching fees shall not exceed three percent (3%) of the transaction value.

5. Except for the fees payable by the fund as specified in the fund's charter, issuance fee, redemption fee (if any) and switching fee (if any) as set out in the fund's charter and announced in the prospectus, investors shall not have to pay any fees to the fund, the fund management company, the entrusted organization and distribution agents when trading in fund certificates.

6. These fees shall be increased where the increased fees shall not exceed maximum levels as defined in Clause 4 of this Article. The soonest day to apply the increased fees shall be 90 days from the date when the fund's charter and the prospectus are amended or supplemented with respect to the new fees and the time of application, and these documents have to be announced and disclosed as prescribed in regulations on information disclosure in the stock market issued by the Ministry of Finance and provided to investors under relevant provisions hereof.

**SECTION III
INVESTMENTS OF OPEN ENDED FUNDS**

Article 15. Investment limits of an open-ended fund

1. The investment portfolio of an open ended fund shall be in line with the fund's investment objectives and policies as stated in the fund's charter and the prospectus.

2. The fund shall be allowed to invest in the following assets:

- a) Deposits at commercial bank as stipulated by banking laws;
- b) Money market instruments, foreign currencies, valuable papers, transferable instruments in accordance with banking laws;
- c) Government bonds, bonds underwritten by the Government and municipal bonds;
- d) Shares listed, shares registered for trading, listed bonds of issuers that are established and operating in accordance with the law of Vietnam;
- e) Shares, bonds to be listed or registered for trading, of issuers that are established and operate pursuant to the law of Vietnam;
- f) Derivatives listed, traded on Stock Exchanges only for hedging purposes.

3. Investments in assets as specified in points e, Clause 2 of this Article shall be conducted based on the following principles:

- a) There are provisions in the charter of the Fund and the Prospectus
- b) Approval in written of the board of representatives about types, codes of securities, quantity and transaction values, time of implementation;
- c) Having sufficient documents proving that the issuer shall complete application documents for listing or registration for trading on Stock Exchanges within twelve (12) months, from the date of transaction execution;

4. Except for the bonds fund, investment portfolio of open ended fund shall have to comply with the following principles:

- a) The open ended fund shall not be allowed to invest more than forty nine percent (49%) of the fund's total asset value in assets as stipulated in points a, b Clause 2 of this Article;
- b) The open ended fund shall not be allowed to invest more than thirty percent (30%) of the fund's total asset value in assets set out in points a, b, d, e and f, Clause 2 of this Article, and these assets are issued by the same company or by a group of companies that have crossing ownership relations, in which the investment in derivatives securities equals the committed value of the contract as stipulated in appendix 13 issued hereof;

c) The open ended fund shall not be allowed to invest more than twenty percent (20%) total asset value of fund in securities in circulation of an issuer, including all valuable papers, transferable instruments, bonds, voting shares and non-voting preferable shares, convertible bonds;

d) Do not invest in an issuer exceeding ten percent (10%) of the total value of outstanding securities of that organization.

e) The open ended fund shall not be allowed to invest more than ten percent (10%) of its total asset value in assets stipulated in points e or g, Clause 2 of this Article;

f) The total value of big investment items in the fund's investment portfolio shall not exceed forty percent (40%) of the fund's total asset value;

g) At any point of time, the total committed value in derivatives securities transactions,

outstanding loans and other payables of fund shall not exceed net asset value of fund;

h) The open ended fund shall not be allowed to invest in securities investment funds, shares of securities investment companies that are set up and operate in Vietnam;

i) Open ended fund shall not be allowed to directly invest in real estates, precious stones and metals.

5. Except for the cases stated in points g, h and i, Clause 4, of this Article, the investment structure of the open-ended fund may be deviant but not exceed fifteen percent (15%) from investment limits stipulated in Clauses 4 of this Article and only due to the following reasons:

a) Fluctuations in market prices of assets in the fund's investment portfolio;

b) Execution of eligible payments of the fund;

c) Implementation of transaction orders of investors ;

d) Merge, consolidation and acquisition activities of issuers;

e) The new fund has just been licensed for establishment due to the splitting, merge, consolidation of the fund is executed, and the operation time has not exceeded six (06) months from the date of issuance of certificate of fund registration.

f) The fund is under dissolution process.

6. Fund management companies must adjust the portfolio to meet the investment limit prescribed in Clause 4 of this Article within three (03) months, from the date when deviation arise for cases stipulated in Clause 6 of this Article

7. In case discrepancies are caused by the fund management company's failing to comply with investment restrictions prescribed by the Law or fund's charter, the fund management company shall be responsible for adjusting the portfolio within fifteen (15) days from the date discrepancies arise and shall bear all costs incurred related to these transactions and losses (if incurred). If profits arise, they must be entered into the account of the fund.

8. Fund management company only invest in deposit, monetary instruments, as stipulated in point a, b clause 2 of this Article, issued at banks approve cd in written by fund's representative board.

Article 16. Lending, borrowing, repo and margin transactions

1. The fund management company shall not be allowed to use the capital and assets of the open – ended fund to lend or guarantee any loan, excepts investment in deposit as provided in point a, clause 2, Article 15 hereof;

2. The fund management company is not entitled to borrow in order to finance the operation of open – ended fund, except for short – term loans to cover necessary costs for the fund. The total value of short – term loans shall not exceed five percent (5%) of the net asset values of the fund at any time and the maximum duration of the loans is thirty (30) days.

3. The fund management company is not entitled to use the fund's assets to conduct

margin transactions (borrowing to purchase securities) for any other fund, person or organization. The fund management company is not entitled to use the fund's assets to conduct short selling transactions (borrowing securities to sell).

4. Where provided in the fund's charter, the fund is entitled to conduct Government bonds repo transactions in line with applicable regulations of the Ministry of Finance on trading management of Government bonds.

Article 17. Forms of asset transaction

1. When carrying out transactions for purchase or selling of securities listed or registered for trading at a Stock Exchange, transactions shall be carried out through the centralized trading system of such Stock Exchange.

2. For transactions in the form of negotiations, and transactions for buying, selling securities which are unlisted or not registered for trading, the fund management company shall comply with the following provisions:

a) Approval in written of estimated price, time of implementation, transaction partners, type of trading assets must have the written approval of Fund Representative Board prior to execution of the transactions.

b) In case of buying price is higher than reference price of quotation service providers, the fund management company shall explain obviously the reasons for the consideration and decision of the Fund Representative Board.

SECTION IV

NET ASSET VALUE OF OPEN-ENDED FUND

Article 18. General principles on determination of net asset value

1. The fund management company shall be responsible for evaluating net asset value of open-ended fund and net asset value per fund unit based on market price, or fair price (in the absence of market price) of the assets in fund's portfolios.

2. The list of at least three (03) quotation service providers which are not the affiliated persons of the fund management company and supervisory bank, must be approved by fund representative board.

3. the fund management company must build a valuation manual comprising the following contents:

a) The principles, criteria of selection, changing of quotation service providers. Such principles must be clearly specified at fund's charter;

b) Specified principles, procedures to implement methods of price determination in accordance with provisions of law, fund's charter and international practice.

4. Specified principle, procedures to implement methods of price determination at stipulated in Point b, Clause 3 of this Article, must be clear and fair in order to be applied uniformly, in conformity with international practices and must be specified in the fund's charter.

5. In the event where value of assets included in the fund's portfolio is impossible to be determined in accordance with methods as provided in the Valuation Manual, the company is entitled to apply other valuation principles according to international practices after consulting the supervisory bank and being approved in writing by the fund representative board. In case of re-valuation, supervisory bank is responsible for informing and requesting fund management company to adjust accordingly within the deadline of twenty four (24) hours.

6. Within maximum three (03) days from the date of valuation, the net asset value of fund and net asset value per fund unit shall be disclosed on the website of the fund management company, related service providers, distribution agents and mass media in accordance with regulations on information disclosure in the stock market. The contents of information about net asset value shall be specified in the appendix 21 issued with this Circular.

7. The fund management company is allowed to authorize related services providers to determine net asset value of fund, net asset value per fund unit based on the price offered by quotation service providers. The fund management company is responsible for inspecting, supervising in order to ensure that the determination of the net asset value is accurate and in compliance with applicable regulations.

8. Within three (03) days from the date net asset value of fund falls fifty percent (50%) lower than initial mobilized capital, or below thirty (30) billion VND, fund management company must report to State Securities Commission and propose resolution for recovery. In case fund's net asset value of fund falls below ten (10) billion VND in six (06) consecutive months, the fund management company must liquidate assets for the purpose of fund dissolution as stimulated in Article 33 of this Circular.

Article 19. Net asset value of Fund

1. The fund's net asset value is determined by deducting the value of all the fund's liabilities, including the fund's debts, payment obligations from the market value of all assets included in the fund's portfolio on the trading day closest to the valuation day. In the absence of market value at the most recent trading date, or the market price is highly volatile under the provisions of fund's charter or internal regulations of the company, the fund management company shall apply reasonable price determined by principles, methods or theoretical models of asset valuation as specified in fund's charter, or fund's valuation manual approved in written by the fund representative board.

2. The net asset value per fund unit is the fund's net asset value divided by the total number of outstanding fund units on the trading day closest to the valuation day. The net asset

value shall be rounded according to regulations on accounting, auditing. The difference due to the rounding shall be accounted for the fund.

3. The determination of the market price of the fund's assets is subject to the method as specified in appendix 10 promulgated with this Circular.

Article 20. Compensation for damages to investors and the fund

1. The fund management company shall be responsible to compensate to investors, who trade fund certificate transactions, that suffer from any damages in case the fund's net asset value is incorrectly valued with significant deviation, particularly as follows:

- a. At least 0.75% of the net asset value in case of bond funds.
- b. At least 1.00% of the net asset value in other cases.

2. In case the net asset value per fund unit is incorrectly determined with deviation reaches certain levels as prescribed in clause 1 of this Article, the fund management company shall be responsible to build plan for recovery, compensation in the following orders:

a) Re-valuate the net asset value on trading dates of fund certificates during the period when the deviation level is significant till all the difference level is no longer exceed those as specified in Clause 1 hereof (hereinafter referred to as incorrect valuation period);

b) Determining compensation amounts for the fund and compensation amounts for investors who suffer from the damage due to the incorrect valuation of the fund's asset value. The fund management company or fund may not be liable to compensate investors if the damage is worth less than VND a hundred thousand (100,000) or other values less than that as specified in the fund's charter;

c) Within fifteen (15) days, from the date of re-adjusting the net asset value, the fund management company shall report to the State Securities Commission of the compensation for damages to the fund, investors specifying the causes of the issue, the incorrect valuation period, level of damage of the fund, level of damage of investors, in accompany with a list of affected investors who have been compensated and their respective compensated damages. Within seven (07) days from the date of reporting to the State Securities Commission, the fund management company shall execute the procedure of compensating the fund and investors, who suffer from damages, with compensation amount as provided in Clause 4, 5 of this Article.

3. In case the Fund is under-valuated, the compensation amount to the fund and investors are defined as follows:

a) For investors purchasing fund certificates prior to the incorrect valuation period and selling fund certificates during the incorrect valuation period: the compensation amount shall be based on the deviation levels and the number of fund units sold by investors;

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;

4. In case the fund is over-valuated, the compensation amount to the fund and investors shall be defined as follows:

a) For investors purchasing fund certificates during the incorrect valuation period and continuing to hold such fund certificates after the incorrect valuation period: the compensation amount shall be determined based on the deviation levels and the number of fund units purchased and still held after the incorrect valuation period;

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.

5. Any compensation amount to investors and fund must be accounted as operating expenses of the fund management company. In case fund's charters stipulates and investors' general meeting approves, compensation amount to investors as provided in point a clause 3, point a clause 4 of this Article shall be accounted to fund's expenses.

6. The Fund management company shall compensate for any damages suffered by the fund in the following cases:

a) The fund management company does not comply with investment policies, invests in assets which are subject to limitation as stipulated in the fund's charter; or

b) Using borrowed capital for illegible purposes, not in line with legal regulations; or the fund management company exceeds borrowing limits stipulated in the fund's charter and by legal regulations.

c) Not complying with investment limitations, except for cases stipulated in Clause 6 of Article 15.

7. The compensation amount for the fund in cases as stipulated in Clause 6 of this Article shall be determined based on damages arising from the excessive investment, borrowing costs. In case profits are made from the investments, trading mentioned above, such profits shall be accounted entirely for fund.

8. The payment of compensation amounts to the Fund, investors as stipulated in Clauses 1, clause 6 of this Article shall be done via the supervisory bank. The fund management company shall be responsible for developing coordination mechanism with the supervisory bank, timely providing payment instructions for investors and the fund.

9. The compensation for damages to the fund and investors shall be mentioned in the fund's annual operation report prepared by the fund management company as stipulated in Clause 2 Article 48 of this Circular, clearly stating causes and reasons of such compensation, influence levels, the number of investors who are affected and compensated, compensation amount for each investor, compensation amount for the fund, forms of compensation and payment methods and other corrective actions (if any).

Article 21. Profit distribution policy of the fund

1. The fund management company shall be allowed to distribute profits to investors as stipulated in the fund's charter and the profit distribution policy announced in the prospectus. Distributed profits shall be deducted from remaining profit of fund. Fund management company shall only receive profit when fund already completes or is financially capable of fulfilling tax duties and other financial duties in accordance with regulations of laws; The amount paid to a fund unit is decided by the fund representative board. The schedule and implementation plan shall be published in the prospectus and on the website of the fund management company.

2. Profits may be distributed in cash or by fund units. The profit distribution in the form of fund units shall be subject to the consent of the General Meeting of Investors or the consent of the fund representative board (if the latest Investors' General Meeting authorized the fund representative board to decide according to the Fund's charter) or as stipulated in the fund's charter, prospectus. Fund certificates are divided based on net asset value per a fund unit at the closing date for determining investor list or based on another value as stipulated in the fund's charter.

3. The fund management company shall make deduction for all taxes, fees and charges in accordance with laws before distributing profits to investors.

4. After distributing profits, the fund management company shall have to send a report to each investor summarizing the fund profit distribution, including the following contents:

- a) Form of profit distribution (in cash or by fund units);
- b) Total profits in the recorder period and accumulated profit, details of profits;
- c) Amounts of profits to be distributed, the number of fund units issued for the purpose of profit distribution (in case of profit distribution in the form of fund units);
- d) Net asset value per fund unit before and after profit distribution;
- e) Impacts on the fund's net asset value following the distribution.

5. Where permitted by the Fund's Charter and the Prospectus, the Fund management company shall distribute the Fund's assets to investors more than distributed profits provided that the Fund management company shall ensure that the net asset value of the fund shall not fall below fifty (50) billion Vietnam dong after the distribution. In this case, the implementation plan and schedule, assets to be distributed, source of funds must be approved by the Investors' General Meetings.

6. Information on the distribution of profits, asset distribution which were implemented, must be updated in Amendment and Supplement Prospectus.

7. Where investors have transferred their fund units in the period between the closing date for determining investor list and the payment date, transferor will receive the distributed profits.

Article 22. The fund's operation expenses

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

- a) Asset management fees paid to the fund management company, including fees paid to fund management services, transfer agent service and related service providers.
- b) Expenses for fund assets depository and supervision fees paid to the Supervisory Bank;
- c) Fund administration fees, transfer agent fees and other fees Fund management company has to pay to relevant service providers;
- d) Audit fees paid to the auditing firm;
- e) Fees for legal consultation service, quotation service and other reasonable services, the remuneration paid to the Fund Representative Board;
- f) Costs for drafting, printing, sending the Prospectus, simplified prospectus, financial statements, transaction confirmation, bank statements and other documents that shall be sent to investors; costs of information disclosure; costs of organizing general meetings of investors or meetings of the fund representative board;
- g) Costs related to conducting transactions of fund's assets.

2. Within 45 days from the end of the second and fourth quarters every year, the fund management shall disclose information on the fund's operating expense rate as well as the fund's portfolio turnover rate on the website of the fund management company and distribution agents after these values have been verified on the accuracy by Supervisory Bank.

- a) Operating expense rate of the fund is determined with the following formula:

$$\text{Operating expense rate (\%)} = \frac{\text{Total operating expenses} \times 100\%}{\text{Average net asset value of the fund during the year}}$$

In case the fund is established and in operation for less than one year, operating expense rate shall be determined as follows:

$$\text{Operating expense rate (\%)} = \frac{\text{Total operating expenses} \times 365 \times 100\%}{\text{Average net asset value of the fund in the reporting period} \times \text{number of days the fund is in operations (since the date of licensing)}}$$

- b) Turnover rate of the fund's portfolio is determined with the following formula:

$$\text{Turnover rate of the fund's portfolio (\%)} = \frac{(\text{Total value of purchase in the period} + \text{total value of sales in the period}) \times 100\%}{2 \times \text{Average net asset value of the fund during the year}}$$

In case the fund is established and in operation for less than one year, the turnover rate of the fund's portfolio shall be determined with the following formula:

$$\text{Rate of turnover of the fund's portfolio (\%)} = \frac{(\text{Total value of purchase in the period} + \text{total value of sales in the period}) \times 365 \times 100\%}{2 \times \text{Average net asset value of the fund in the reporting period} \times \text{number of days the fund is in operations (since the date of licensing)}}$$

3. Brokerages, transfer fees and other transaction fees in relation to transactions of fund's asset which are payable to securities companies shall exclude any other fees, including fees paid for other securities or fees paid to third parties (soft commissions).

4. The fund management company and distribution agents shall be liable for paying expenses for printing, publishing publications to promote and inform about fund products.

CHAPTER III

GENERAL MEETING OF INVESTORS, FUND REPRESENTATIVE BOARD

SECTION 1

GENERAL MEETING OF INVESTORS

Article 23. Rights and duties of investors participating in the open-ended fund

Investors shall have all rights and duties as stipulated in the Securities Law and other related regulations. Investors are responsible for making full payment for fund units purchased within the period as specified in the Fund's charter, Prospectus and are only responsible for the fund's debts and other asset obligations of the Fund up to the amount paid when purchasing the fund's certificates.

Article 24. Investors' General Meeting

1. The Investors' General Meeting is convened by the fund management company and decide the following:

a) To make decisions on amending and supplementing the Fund's charter and supervision contracts;

b) To make significant changes to the Fund's investment policies and objectives, and profit distribution policies; to increase fees paid to fund management company, supervisory bank; to change fund management company, supervisory bank;

c) To consolidate, merge funds;

d) To temporarily suspend the trading of the fund certificates; fund's splitting;

e) To dissolve the fund;

f) To conduct election, removal, dismissal of Chairman and members of the fund representative board; to decide remuneration and operating expenses of the fund representative board; to approve the selection of the approved auditing firm to audit the fund's annual financial statements; to approve reports on financial situations, assets and annual operation of the fund;

g) Other issues as stipulated in Article 85 Securities Law and Law on Enterprise and fund's charter.

2. The agenda and content of the General Meeting of Investors shall be prepared by the fund management company in accordance with the Enterprises Law. At least fifteen (15) days before holding investor's general meeting, the fund management company shall send to the SSC the agenda, content, and all relating documents of the meeting. Annual Investors' General Meetings shall be conducted within thirty (30) days from the date when audited financial statements are approved.

3. Annual investor's general meeting shall not be held in the form of seeking written opinions, except otherwise stipulated in fund's charter.

4. The fund management company shall convene an extraordinary Investors' General Meeting in the following cases:

a) The fund management company, or Supervisory Bank, or the fund representative board considers such meeting are necessary for the interests of the fund;

b) Upon request of an investor or a group of investors representing at least 10% of total fund units in issue within at least 6 successive months as of the date of convention of such meeting, or a smaller ratio as stipulated in the Fund's Charter;

c) Other cases as stipulated in the Fund's charter.

5. The convention of such extraordinary Investors' General Meeting as mentioned in Clause 4 of this Article shall be conducted within 30 days from the date when the fund management company receives request for convention of an extraordinary Investors' General Meeting which specifies reasons and purposes of the meeting.

6. Except for the case where meetings are enforcedly held to seek investor's opinions on issues as stipulated at point b, c Clause 1 this Article, in other cases as stipulated in fund's charter and prospectus, fund management company can seek written opinions from investors instead of holding meetings. Principles, contents, sequences, procedures for seeking investor's written opinions must be clearly stipulated in the fund's charter. In this case, fund management company must comply with the time limit for sending ballots and meeting's documents to investors as in investor's general meeting following the regulations of Law on Enterprise and Securities.

Article 25. Conditions and formalities of conducting Investors' General Meetings

1. The Investors' General Meeting shall be conducted when the number of investors present represents at least fifty one percent (51%) of the total fund units in circulation. Investors may attend the meeting, in person or by proxy or otherwise specified in the Fund's charter.

2. If the first meeting fails to satisfy conditions as stipulated in Clause 1 of this Article, the second meeting shall be convened within thirty (30) days from the tentative convening day of the first meeting. In such case, the Investors' General Meeting shall be held regardless of the number of investors present.

3. The formalities and forms of the Investors' General Meeting shall be subject to the provisions in the Fund's charter and regulations of Law on Enterprise and Securities.

Article 26. Approval of decisions of Investors' General Meetings

1. Except for the case stipulated in Clause 2 this Article, the decision of the Investors' General Meeting shall be approved at the meeting if the following conditions are fully met:

a) Such decision is supported by investors representing at least fifty one percent (51%) of the total number of fund units in circulation, specific ratio is stipulated in the fund's charter;

b) Total number of votes for the decision must be at thirty percent (30%) at minimum of the total number of fund units in circulation as at the voting time, specific ration is stipulated in the fund's charter;

2. For provisions as stipulated in points b, c Clause 1, Article 24 herein, the decision of the Investors' General Meeting shall be passed if the following requirements are fully met:

a) Such decision is approved by investors representing at least sixty five percent (65%) of the total number of fund units in circulation, specific ration is stipulated in the fund's charter;

b) Total number of votes for the decision must be at forty percent (40%) at minimum as at the voting time, specific ration is stipulated in the fund's charter.

3. If the Investors' General Meeting is held according to provisions in Clause 2, Article 25 of this Circular and the number of investors present at the meeting represent less than fifty one percent (51%) of the total number of fund units in circulation, then the decision at the meeting shall be passed at the meeting if the condition specified in point a, Clause 1 or point a, Clause 2 of this Article is met.

4. In case of seeking investor's written opinions as stipulated in Clause 6 Article 24 this Circular, decisions are passed when approved by investors representing for at least sixty five percent (65%) of the total fund units.

5. The fund management company and the fund representative board shall be liable to take into consideration, ensuring that all decisions of the Investors' General Meeting are in line with laws and the Fund's charter. In case the decision is not in line with laws and the Fund's charter, another Investors' General Meeting shall be held to obtain opinions of investors or obtain opinions of investors in writing.

6. Within 07 days, after the Investors' General Meeting or deadline for obtaining investors' written opinions as mentioned in Clause 4 of this Article, the fund management company shall be liable to prepare minutes and resolutions of the Investors' General Meeting to be submitted to the Supervisory Bank and provided to investors, or for information disclosure on the company's website as stipulated in laws.

Article 27. Objection to decisions of Investors' General Meetings

1. Investors holding open-ended fund certificates who object to decisions passed by the Investors' General Meeting on issues as stipulated in points b, c Clause 1 of Article 24 shall have the right to require the fund management company to redeem their fund certificates or convert their fund certificates to certificates of another open-ended fund that is under management of the

fund management company. Such requests shall be in written form, specifying the investor's name and address, number of fund units, reasons for request of redemption or conversion. Investors must send the request to the head office of Fund Management Company, omnibus agent within fifteen (15) days from the date the Investors' General Meeting approving the decision mentioned above issues.

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

SECTION II

FUND REPRESENTATIVE BOARD

Article 28. The fund representative board

1. The fund representative board shall represent investors and be selected by the Investors' General Meeting or approved by investors via written documents. The term of office, eligibility, number of members, appointment, dismissal and removal, supplementing members to the Board, Chairman of the Board, conditions and terms of meetings and passing resolutions of the Board are stipulated in the Fund's charter and applicable regulations.

2. The fund representative board of an open-ended fund may have from 3 to 11 members at least two third (2/3) of which shall be independent members.

3. The fund representative board shall comprise:

a) At least one independent member with qualifications and experience in accounting and auditing;

b) At least one independent member with qualifications and working experience in securities investment analysis or asset management;

c) At least one member with qualifications and experience in laws and legal regulations in securities

4. In case the Board's structure or any member of the Board no longer meets the conditions specified in Clauses 2, 3 of this Article, or a member is forced to resign, the fund representative board and the fund management company shall be liable to select a member meeting the regulations at clause 3 of this Article for temporary substitution within 15 days from the date of detection. The temporary substitute member shall exercise the rights and duties of the committee's member until the Investors' General Meeting officially appoints a substitute member.

5. Rights and duties of the fund representative board shall be stipulated in the Fund's charter and shall at least cover the following duties:

a) Representing investors' interest; performing all activities in line with legal regulations to protect fund's and investors' interest;

b) Approving the list of quotation service providers, principles and methods of net asset value determination; approving the list of the banks receiving fund's deposits, monetary instruments and assets that the fund is allowed for investment as stipulated at point a, b, e Clause 2, Article 15 of this Circular; approving fund's asset transactions as stipulated at clause 2 of Article 17, this Circular. These decisions must be considered with most caution to ensure the protection of fund's assets;

c) Deciding the amount of profit to be distributed, schedule and procedures of profit distribution, or settlement of losses during operation; Deciding on issues which are disagreed between the fund management company and supervisory bank;

d) Where permitted in the Fund's Charter and the most recent Investors' General Meetings, the Board of Representatives is entitled to decide on matters prescribed in Point b, c, d, e, f and g Clause 1, Article 24 of this Circular;

e) Requiring the fund management company and the supervisory bank to provide adequate documents and information on the fund management and supervisory activities.

f) Conducting other duties as stipulated in the Fund's charter.

6. Within fifteen (15) days at maximum since the fund representative board makes decisions on issues as stipulated at point b, c, d, e clause 1, Article 24 of this Circular shall comply with the regulations stipulated in point d, clause 5 of this Article, and other issues under the Investors' General Meeting authorization, the fund representative board via the fund management company, must send the meeting minutes and the Resolution of the fund representative board to the State Securities Commission and the supervisory bank, as well as provide information on contents of the decision to investors by the mode as stipulated at the Fund's charter. In this case:

a) SSC is entitled to request the fund representative board to change their decision if such decision is contrary to the law's regulations or it deems necessary to ensure the investors' interests. Within seven (07) days from receiving meeting minutes, decisions of fund representative board and relevant documents, if SSC doesn't give any written opinion, the fund management company and relevant entities are allowed to implement the fund representative board's decision according to the law's regulations;

b) Investors who object the fund representative board's decision related to the provisions as stipulated in point b, c, clause 1, Article 24 of this Circular have the right to request the fund management company to redeem or switch fund certificates in the cases following the sequences and procedures as stipulated at Article 27 of this Circular.

7. Decisions of the Fund representative board are passed via voting at the meetings, via conference by phone, internet or other audio/video devices, or via written opinion and other methods as stipulated in the Fund's charter. Each member of the Board shall have one vote. The Board meeting shall be conducted if there is attendance of at least two-thirds of the Board members, in which the number of independent members shall account for at least fifty one percent (51%). Members who do not attend the meeting in person may vote via sending written opinion. Decision of the fund representative board shall be passed if such a decision is approved by fifty one percent (51%) or more of attending members and fifty one percent (51%) or more of independent members.

8. When performing functions and duties, the Board of Representatives must comply with the provisions of law, the Fund's Charter and resolutions of the Investors' General Meeting. In the case decisions which are passed by the Board of Representatives are contrary to provisions of law or the Fund's Charter, causing damage to the fund, members approving such decisions must be jointly and personally responsible for such decisions; members opposing such decisions are exempt from liability. 9. In case there is not any relevant provisions in the Fund's charter, the remuneration and other interests of the fund representative board members shall be subject to the following provisions:

a) Members of the fund representative board shall be paid based on their work and shall enjoy other interests as stipulated in the Fund's charter and in line with the decision of the Investors' General Meeting. The Investors' General Meeting shall decide on annual remunerations and operating budgets for the fund representative board on the basis of total estimated number of days, volume and nature of the work and the average daily remuneration of the members. Fund management company must take responsibility for withholding infrequent corporate income of the members of representative board as stipulated in applicable laws;

b) Members of the fund representative board shall be paid for meals, accommodation and travel expenses at a reasonable level as well as for other expenses as stipulated in the Fund's charter. The total amount of such remunerations and expenses shall not exceed the total annual operating budget for the fund representative board passed by the Investors' General Meeting as stipulated in the Fund's charter and the prospectus;

c) Remunerations and operating expenses of the fund representative board shall be accounted to the management expense of the fund and they shall be listed in a separate section in the fund's annual financial statements.

10. Provisions in Clause 9 of this Article may not be applied in case that members of the fund representative board are employees of the fund management company.

**CHAPTER IV
FUND RESTRUCTURING**

**SECTION I
FUND MERGER AND CONSOLIDATION**

Article 29. General provisions on consolidation and merger of funds

1. The fund management company shall be liable to create an on-going communication channel to ensure that information on the consolidation, merger is updated to investors on an accurate, adequate and timely basis.

2. The fund management company shall be liable to organize the Investors' General Meeting to consult investors about the consolidation, merger under the form at Appendix 13 promulgated together with this Circular. Within at least 30 days prior to the Investors' General Meeting, the fund management company shall provide investors with the following documents related to the consolidation and merger:

a) Consolidation, merger plans enclosed with consolidation, merger analysis reports with contents as stipulated in Appendix 13 of this Circular;

b) Draft contract on consolidation, merger with contents as stipulated in Appendix 14 of this Circular;

c) Audited annual financial statements, quarterly financial statements of all funds being consolidated or merged that are audited until the most recent quarter;

d) Drafts of charter, prospectus, simplified prospectus of the consolidated fund; drafts of charter, prospectus, simplified prospectus of the merging fund;

3. The fund management company may suspend fund certificate transactions within a period not exceeding 30 days in order to complete the consolidation, merger, except for redemption or switching of fund certificates as requested by investors who object the consolidation, merger

4. Date of consolidation, merger is the date when the Amended Certificate of registration takes effect. The Fund being consolidated, merged shall cease their existence from the date of consolidation, merger. In parallel, the fund after consolidating, surviving fund shall inherit all assets, liabilities, legal rights and obligations of the consolidated, merged funds from the date of consolidation, merger on the following principles:

a) All assets of consolidated, merged funds shall be registered under ownership of the fund after consolidating, surviving fund and deposited at supervisory bank of the the fund after consolidating, surviving fund;

b) All liabilities of consolidated, merged funds shall be transferred to the fund after consolidating, surviving fund. This provision is not applied for cases that consolidated, merged

funds have settled all liabilities before consolidation, merger in accordance with the plan on consolidation, merger.

c) Investors listed in the Main Register of the consolidated, merged funds - on the date of consolidation, merger - shall become investors of the fund after consolidating, surviving fund and shall receive assets in the form of units of such funds. Investors shall receive fund units of merging, surviving fund in replacement for fund units of the fund after consolidating, surviving fund with the conversion rate determined on the date of consolidation, merger.

d) Depending on terms and conditions of the consolidation, merger contract and consolidation, merger plan, besides fund units received as stipulated in point d of this Clause, investors of consolidated, merged funds may receive a payment in cash. The value of payment per a fund unit shall not exceed 10% net asset value per fund unit determined as at the date of consolidation, merger as mentioned in point d of this Clause.

5. Fees for legal consultation service, administration and other consultation services related to fund consolidation; merger shall not be accounted as the fund's expenses or incurred by investors, otherwise prescribed by the General Meeting of Investors.

Article 30. Sequences and procedures of Fund consolidation and merger

1. Within sixty (60) days from the date when the final Investors' General Meeting of the Fund involved in the consolidation/merger approves the consolidation/merger, the relevant Fund management company shall submit documents to request the State Securities Commission to issue certificate of fund establishment registration for the fund after consolidation or adjust certificates of fund establishment registration for surviving funds. Such documents shall consist of:

a) Letter of request on issuance, adjustment of certificates of fund establishment registration under the Form in Appendix 11 promulgated with this Circular; attached with original certificates of fund establishment registration of consolidated/merged funds;

b) Plan on consolidation/merger and contracts on consolidation/merger approved by Investors' General Meetings. Contracts on consolidation/merger shall be signed by the Chairman of the Representative Board of funds and legal representatives of the relevant fund management company;

c) Assessment report of Supervisory bank on contents at consolidation, merger plan and consolidation, merger contracts related to the plan for determining debts, assets and the net asset value at the date of consolidation, merger; plan on conversion and determination of conversion ratio; plans and principles for asset transfer among funds.

d) Minutes of meetings and the Resolution of Investors' General Meeting on consolidation and merger;

e) Analysis statement on consolidation/merger and other relevant documents sent to Investors;

f) In case of fund consolidation, additional documents include the Charter on the fund after consolidation, Draft supervision contract signed with the Supervisory bank approved by Investors' General Meetings of relevant consolidated funds.

2. Application for granting or adjusting certificate for fund registration shall be made under the provisions of Clause 2, Article 4 herewith. Within thirty (30) days from the receipt of a complete and eligible application, the State Securities Commission shall adjust certificates of fund establishment registration.

3. Within seven (07) days from the consolidation/merger date, the Fund management company shall announce information on consolidation/merger according to the regulations of the law. Contents of announcement include:

a) Date of consolidation, date of merger;

b) Principles of determining the net asset value per an consolidated/merged fund unit at the date of consolidation/merger; the ratio of fund unit conversion, the ratio of money paid to consolidated/merged fund investors (if any).

4. Immediately after the date of consolidation/merger, the Fund management company, the Supervisory bank and relevant organizations shall work together to register assets received from consolidated/merged funds according to the legal regulations, as well as update information on Investors' ownership in the Main Register and the Sub-Registers.

5. Within fifteen (15) days from the date of consolidation/merger, the Fund management company takes responsibility to accept and implement selling orders, buying orders and switching orders of the fund after consolidating, surviving fund.

6. Within fifteen (15) days from the date of consolidation/merger, the Supervisory bank should appraise the accuracy and report to the State Securities Commission the result of consolidation/merger under the Form at Appendix 12 promulgated with this Circular with the following contents:

a) Details of investment portfolio, the total asset value, the total debts value and the net asset value at the date of consolidation, merger; the actual conversion ratio of fund units at the date of consolidation, merger; the ratio of payment in cash per fund unit (if any).

b) The quantity and value of a fund unit redeemed from investors who object the consolidation, merger; the value of loans paid upon request from creditors.

7. The fund management company shall be liable for recording and providing investors at their request with documents related to the consolidation/merger at Head Offices of the fund management company and fund certificates distribution places, and publish these documents on websites of the fund management company and distribution agents for at least 6 months after the date of consolidation/merger. Related documents shall include:

a) Consolidation/merger plan and contract;

- b) Contents related to profit distribution, issuance of certificates of the fund after consolidating, surviving fund to investors of the consolidated/merged funds;
- c) Verification report of the supervisory bank as stipulated in Clause 6 of this Article.

CHAPTER IV FUND RESTRUCTURING

SECTION I FUND MERGER AND CONSOLIDATION

Article 29. General provisions on consolidation and merger of funds

6. The fund management company shall be liable to create an on-going communication channel to ensure that information on the consolidation, merger is updated to investors on an accurate, adequate and timely basis.

7. The fund management company shall be liable to organize the Investors' General Meeting to consult investors about the consolidation, merger under the form at Appendix 16 promulgated together with this Circular. Within at least 30 days prior to the Investors' General Meeting, the fund management company shall provide investors with the following documents related to the consolidation and merger:

- e) Consolidation, merger plans enclosed with consolidation, merger analysis reports with contents as stipulated in Appendix 16 of this Circular;

- f) Draft contract on consolidation, merger with contents as stipulated in Appendix 17 of this Circular;

- g) Audited annual financial statements, quarterly financial statements of all funds being consolidated or merged that are audited until the most recent quarter;

- h) Drafts of charter, prospectus, simplified prospectus of the consolidated fund; drafts of charter, prospectus, simplified prospectus of the merging fund;

8. The fund management company may suspend fund certificate transactions within a period not exceeding 30 days in order to complete the consolidation, merger, except for redemption or switching of fund certificates as requested by investors who object the consolidation, merger

9. Date of consolidation, merger is the date when the Amended Certificate of registration takes effect. The Fund being consolidated, merged shall cease their existence from the date of consolidation, merger. In parallel, the fund after consolidating, surviving fund shall inherit all assets, liabilities, legal rights and obligations of the consolidated, merged funds from the date of consolidation, merger on the following principles:

c) All assets of consolidated, merged funds shall be registered under ownership of the fund after consolidating, surviving fund and deposited at supervisory bank of the the fund after consolidating, surviving fund;

d) All liabilities of consolidated, merged funds shall be transferred to the fund after consolidating, surviving fund. This provision is not applied for cases that consolidated, merged funds have settled all liabilities before consolidation, merger in accordance with the plan on consolidation, merger.

c) Investors listed in the Main Register of the consolidated, merged funds - on the date of consolidation, merger - shall become investors of the fund after consolidating, surviving fund and shall receive assets in the form of units of such funds. Investors shall receive fund units of merging, surviving fund in replacement for fund units of the fund after consolidating, surviving fund with the conversion rate determined on the date of consolidation, merger.

d) Depending on terms and conditions of the consolidation, merger contract and consolidation, merger plan, besides fund units received as stipulated in point d of this Clause, investors of consolidated, merged funds may receive a payment in cash. The value of payment per a fund unit shall not exceed 10% net asset value per fund unit determined as at the date of consolidation, merger as mentioned in point d of this Clause.

10. Fees for legal consultation service, administration and other consultation services related to fund consolidation; merger shall not be accounted as the fund's expenses or incurred by investors, otherwise prescribed by the General Meeting of Investors.

Article 30. Sequences and procedures of Fund consolidation and merger

1. Within sixty (60) days from the date when the final Investors' General Meeting of the Fund involved in the consolidation/merger approves the consolidation/merger, the relevant Fund management company shall submit documents to request the State Securities Commission to issue certificate of fund establishment registration for the fund after consolidation or adjust certificates of fund establishment registration for surviving funds. Such documents shall consist of:

a) Letter of request on issuance, adjustment of certificates of fund establishment registration under the Form in Appendix 14 promulgated with this Circular; attached with original certificates of fund establishment registration of consolidated/merged funds;

b) Plan on consolidation/merger enclosed with analysis report on merger, consolidation and contracts on consolidation/merger approved by Investors' General Meetings. Contracts on consolidation/merger shall be signed by the Chairman of the Representative Board of funds and legal representatives of the relevant fund management company;

c) Assessment report of Supervisory bank on contents at consolidation, merger plan and consolidation, merger contracts related to the plan for determining debts, assets and the net asset

value at the date of consolidation, merger; plan on conversion and determination of conversion ratio; plans and principles for asset transfer among funds.

d) Minutes of meetings and the Resolution of Investors' General Meeting on consolidation and merger;

e) Documents on surviving funds, funds after consolidation (if there are any changes) following the regulations at point b, c, d, e, f Clause 1, Article 4 this Circular and other related documents.

2. Application for granting or adjusting certificate for fund registration shall be made in one (01) original set together with electronic data. The original set shall be submitted directly at the administrative division of the State Securities Commission or sent by post.

3. Within thirty (30) days from the receipt of a complete and eligible application, the State Securities Commission shall adjust certificates of fund establishment registration.

Within seven (07) days from the consolidation/merger date, the Fund management company shall announce information on consolidation/merger according to the regulations of the law. Contents of announcement include:

a) Date of consolidation, date of merger;

b) Principles of determining the net asset value per an consolidated/merged fund unit at the date of consolidation/merger; the ratio of fund unit conversion, the ratio of money paid to consolidated/merged fund investors (if any).

4. Immediately after the date of consolidation/merger, the Fund management company, the Supervisory bank and relevant organizations shall work together to register assets received from consolidated/merged funds according to the legal regulations, as well as update information on Investors' ownership in the Main Register and the Sub-Registers.

5. Within fifteen (15) days from the date of consolidation/merger, the Fund management company takes responsibility to accept and implement selling orders, buying orders and switching orders of the fund after consolidating, surviving fund.

6. Within fifteen (15) days from the date of consolidation/merger, the Supervisory bank should appraise the accuracy and report to the State Securities Commission the result of consolidation/merger under the Form at Appendix 15 promulgated with this Circular with the following contents:

a) Details of investment portfolio, the total asset value, the total debts value and the net asset value at the date of consolidation, merger; the actual conversion ratio of fund units at the date of consolidation, merger; the ratio of payment in cash per fund unit (if any).

b) The quantity and value of a fund unit redeemed from investors who object the consolidation, merger; the value of loans paid upon request from creditors following the form stipulated at Appendix 18 as attached herewith.

7. Within six (06) months from the date of merger/consolidation, the fund management company shall be liable for recording and providing investors at their request with documents related to the consolidation/merger at Head Offices of the fund management company and fund certificates distribution places, and publish these documents on websites of the fund management company. Related documents shall include:

- a) Consolidation/merger plan and contract;
- b) Contents related to profit distribution, issuance of certificates of the fund after consolidating, surviving fund to investors of the consolidated/merged funds;
- c) Verification report of the supervisory bank as stipulated in Clause 6 of this Article.

SECTION II FUND SPLITTING

Article 31. General provisions on fund splitting

1. In case the fund portfolio is illiquid as stipulated at points b, c, Clause 4, Article 15 of this Circular, the fund may split according to a plan approved by the Investors' General Meeting.

2. At least fifteen (15) days before the Investors' General Meeting, the fund management company must provide investors with documents related to the splitting of the fund including:

- a) Plan on the splitting of the fund following the provisions stipulated at Appendix 16 as attached herewith;

- b) Draft charters of funds formed after splitting;

3. The fund management company, on behalf of the fund, shall be liable for repaying all debts and fulfilling financial obligations of the fund before splitting.

4. Funds which are expected to be formed after splitting shall have NAV of at least VND50 billion on the latest valuation date before the Investors' General Meeting approves the splitting.

Article 32. Sequences and procedures on fund splitting

1. Within thirty (30) days since the Investors' General Meeting of the fund passes the decision on splitting, the fund management company shall complete procedures and documents requesting SSC to issue Certificates of fund establishment registration for the funds formed after splitting. Such documents shall contain:

- a) Request for issuance of the Certificate of fund establishment registration in the form as specified in Appendix 14 promulgated with this Circular enclosed with the original copy of the Certificate of fund establishment registration of the fund being split;

- b) Plan on the splitting of the fund passed by the Investors' General Meeting;

- c) Report of Supervisory Bank providing opinions on plan of splitting investment portfolio; plan of transferring ownership and assets;

- d) Supervisory contracts between the fund management company and supervisory banks;
 - e) Meeting minutes and resolution of the Investors' General Meeting on the splitting of the fund;
 - f) The Fund's charter, the Prospectus and simplified prospectus of funds formed after splitting (if there is any change and in case of a new fund).
2. Fund splitting dossier shall be made in one (01) original set together with electronic data. The original set shall be submitted directly at the administrative division of the State Securities Commission or sent by post.
3. Within 15 days after receiving the full and eligible set of dossier as stipulated in Clause 1 of this Article, SSC shall issue Certificate of fund establishment registration for the fund being split. The date of splitting is the date on which such Certificate takes effect.
4. Within 7 days from the splitting date, the fund management company, related services providers, omnibus agents shall be in responsible for:
- a) Completing the preparation of the Main Register and the Sub Registers for funds newly formed after splitting;
 - b) Informing the date of splitting, confirming completed contents under the splitting plan, NAV per a fund unit of newly formed funds after splitting, confirming asset ownership for each investor.
 - c) Conducting information disclosure on the splitting of the fund as required by the law.
5. Within 15 days from the splitting date, the supervisory bank and related services providers shall be responsible for splitting portfolio of the separated fund, and undertaking procedures for registering the ownership of assets for funds newly formed after splitting in line with legal regulations.
6. Within six (06) months from the splitting date, the fund management company shall be liable for recording and providing, at investors' request, documents related to the splitting of the fund at Head Offices of the fund management company and places for fund certificate distribution on website of the fund management company. Such documents shall include
- a) Splitting plan and implementation schedule;
 - b) Portfolio structures of the fund being split on the splitting date and of funds formed after splitting;
 - c) Contents related to profit distribution, issuance of fund certificates for funds formed after splitting.

SECTION III

FUND DISSOLUTION

Article 33. General provisions on fund dissolution

1. The liquidation/dissolution of a 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 fail 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 fail to appoint another supervisory bank to replace within two (02) months from the date when such events occur;

c) The operating period of the fund as stipulated in the fund's charter and in the certificate of fund establishment registration ends without extension (for funds with defined operating period);

d) The fund is dissolved in pursuant to the decision of the investors' general meeting;

e) NAV of the fund fall below VND ten (10) billion in six consecutive months;

f) Other cases as stipulated in the fund's charter.

2. Within thirty (30) days at maximum, from the date of compulsory dissolution as stipulated in Clause 1 of this Article, the fund representative board shall be liable for convening the investors' general meeting to decide on fund dissolution.

3. The investors' general meeting shall have the right to appoint an independent auditing firm to examine, appraise and supervise the whole liquidation process, and reappraise the distribution of fund's assets for investors, ensure the liquidation, dissolution of fund in a fair, public and transparent manner.

4. The fund management company shall be liable for liquidating the fund's assets and distributing fund's assets to investors as stipulated in the liquidation/dissolution plan approved by the investors' general meeting and in accordance with the fund's charter as well as legal regulations. In case it is impossible to liquidate all assets in the period specified in the dissolution/liquidation plan, the fund management company shall be responsible for distributing the remaining assets and transferring to investors in accordance with principles stipulated in point c, Clause 10 of this Article.

5. The fund management company and related services providers are not allowed to conduct marketing and communication program on the fund to receive, execute buying/selling/switching orders of fund certificates, from the date when the fund is compulsorily dissolved

6. From the date when the fund is compulsorily dissolved, fund management company must not:

a) Conduct investment activities, purchase securities and other asset for the fund;

- b) Transform unsecured debts into debts secured by the fund's assets;
- c) Give, offer fund's assets to other entities, individuals;
- d) Pay contracts in which the value of fund's obligations is greater than that of the other party; or pay debts to creditors who are also the fund's debtors without conducting debt offsetting;
- e) Conduct other transactions conducted for dispersing fund's assets.

7. Assets of the fund, which is under dissolution, shall include:

a) Assets and rights in relation to assets of the fund at the time when the fund is compulsorily dissolved;

b) Profits, assets and rights in relation to assets that the fund shall have by conducting transactions set up before the fund is compulsorily dissolved;

c) Assets are used as guarantee for the fulfillment of fund's obligations. In case of payment for secured creditors by means of such assets, if the value of the asset exceeds the value of the secured debts, then the excessive value shall be the fund's assets.

8. In case of liquidating assets being securities, it is necessary to apply transparent methods such organizing an auction or trading via the centralized matching system of the Stock Exchange. For other cases, it is required to obtain written approval of the fund representative board as prescribed in Clause 2 Article 17 hereof.

9. After being confirmed by the supervisory bank, the result of asset liquidation of the dissolved fund shall be examined and passed by the fund's representative board or by an auditing firm appointed by the investors' general meeting as stipulated in Clause 3 of this Article, before making payment of debts to creditors and investors as required.

10. Proceeds from liquidation of the fund's assets and residual assets shall be paid in the following priority order:

a) Financial obligations to the State;

b) Payables to the fund management company and the supervisory bank, other payables and fund dissolution costs. In case the fund is compulsorily dissolved as stipulated in points a, b under Clause 1 of this Article, the fund shall not have to pay to the fund management company and the supervisory bank fees specified in contracts from the date of occurrence of such events;

c) The residual shall be used to pay investors in correspondence with the capital contribution ratios of investors in the fund.

Article 34. Sequences and procedures of fund dissolution

1. Within seven (7) days from the date when the fund is compulsorily dissolved as stipulated in Clause 1, Article 33 of this Circular, or from the date when the investors' general meeting passes the dissolution decision, the fund management company or supervisory bank (in case there is no fund management company) shall report to SSC of the fund dissolution.

2. The reporting documents on the fund dissolution shall contain:

a) Notice of the fund dissolution, in which reasons of dissolution shall be specified;
b) Minutes and resolution of the investors' general meeting on the fund dissolution, enclosed with a plan on asset liquidation and the fund dissolution approved by the investors' general meeting;

c) Written commitments of the fund management company and the supervisory bank on taking responsibility for completing procedures for asset liquidation to dissolve the fund.

3. Dossier reporting fund dissolution shall be made in one (01) original attached with a electronic data. The original dossier shall be submitted directly to administrative division of SSC or by post.

4. Within fifteen (15) days from the date of receiving complete and eligible set of dossier, the State Securities Commission shall confirm in written the fund dissolution of fund management company. Within thirty (30) days from the receipt of the State Securities Commission's confirmation, the fund management company shall make information disclosure on the liquidation of the fund's assets, and fund dissolution in accordance with regulations on information disclosure in the stock market promulgated by the Ministry of Finance. Contents of the notice shall comprise information on the period for asset liquidation.

5. Within five (05) days from the date of completion of the dissolution procedures, the fund management company and the supervisory bank must report to SSC the results of fund dissolution. Report of fund dissolution shall comprise the following documents:

a) Report on the fund's asset liquidation, repayment of debts and other asset obligation fulfillment to creditors, other stakeholders, including financial obligations to the State. The report must enclose with a list of creditors and amount of debts paid, including tax liability;

b) Report of the fund management company certified by the supervisory bank and the fund representative board on asset liquidation, liquidation methods and total proceeds received after liquidation; total liabilities payable and the remaining assets distributed to shareholders;

c) Original copy of the certificate of fund establishment registration;

d) Audited financial statements for the period from the end-date of the latest audited financial year to the date when the duration of the fund expires or the date when the fund dissolution is approved;

e) Report on examination of liquidation results prepared by auditing firm (if any) appointed by the investors' general meeting as stipulated at Clause 3, Article 33 of this Circular.

6. Dossier reporting fund dissolution shall be made in one (01) original attached with electronic data. The original dossier shall be directly submitted to administrative division of SSC or by post.

7. In case the results of assets liquidation and fund dissolution are incorrect or forged, the Fund Management Company, supervisory bank and relating people shall be jointly responsible

for settlement of unpaid debts and shall be personally responsible for consequences arising during 3 years from the date of submitting reporting documents on dissolution results to the SSC.

CHAPTER V
ACTIVITIES OF RELATED SERVICES PROVIDERS IN
MANAGING OPEN-ENDED FUNDS

SECTION I
SUPERVISORY BANK

Article 35. General provisions on supervisory bank

1. The supervisory bank selected by the fund management company shall satisfy all requirements as provided in Clause 1 Article 98 of the Securities Law.

2. Members of the board of directors, members of the board of management and functional staff shall not be buying/selling partners in the fund's assets transactions. The supervisory bank may be buying/selling partners in transactions of foreign exchanges, or securities transactions, which are executed via trading system of Stock Exchanges.

3. For supervising the operation of a open ended fund, the supervisory bank must have at least 2 functional staff who have the following certificates:

a) Certificate on basic knowledge of securities and securities market; or international certificates in the field of securities such as CFA (Chartered Financial Analyst), CIIA (Certified International Investment Analyst); or certificate for securities business practitioners in countries being members of Organization for Economic Cooperation and Development (OECD);

b) Certificate of Laws on securities and securities market;

c) Accounting or auditing certificate, or Chief Accountant Certificate or Certificate on accounting analysis, or international certificate in accounting ACCA (Association of Chartered Certified Accountants), CPA (Certified Public Accountants).

4. The supervisory bank shall satisfy other requirements and condition set forth by laws on the establishment and management of securities investment funds.

Article 36. Custody activities of fund's assets of the supervisory bank

1. The supervisory bank may select domestic and foreign financial organizations which have the asset custody function to be the sub custody organization, to conduct custody of the fund's assets in Vietnam and abroad. The delegation for custody shall ensure the following principles:

a) The sub custody organization shall be a custody member in accordance with domestic and foreign legal regulations;

b) The delegation for custody must be implemented based on the contract between the supervisory bank and the subordinate custody organization. The contract must specify rights, obligations, responsibilities between the supervisory bank and the sub custody organization. The sub custody organization shall only act upon instructions or valid directives of the supervisory bank;

c) The supervisory bank shall take full responsibility for checking, supervising operations of the subordinate custody organization and bear all expenses related to the delegation of supervisory and custody activities of fund's assets.

d) The sub-custody organization in foreign country is allowed to re-deposit assets at the securities custody organization of which it is a member, in accordance with the regulations of their countries. The fund's assets must be registered for ownership under the fund by the sub custody organization in accordance with the applicable regulations.

e) Supervisory bank shall obtain complete information on all fund's assets including types, quantity, custody places and custody organizations. The supervisory bank takes responsibility to ensure that the fund's assets must be registered, deposited and recorded so that they are recognized as belonging to the fund.

2. Custody activities of the fund's assets shall ensure:

a) That all assets of the open-ended fund formed within Vietnam must be deposited at supervisory bank following below principles:

In the case that assets have been registered for ownership, these assets shall be registered, recorded in the name of the fund, unless otherwise assets must be registered, recorded in the name of the supervisory bank or the sub custody organization or the fund management company under the applicable regulations. Original copy of legal documents, confirmation the ownership of fund's assets shall be fully deposited at the supervisory bank, except for cases when securities have been registered and centrally deposited.

In the case that the documents certifying ownership of assets are not available or assets are not required to register for ownership the supervisory bank is allowed to check the custody and registration of these assets, on a monthly basis reconcile with the issuing organization, organizations managing the Register of shareholders, banks which take in deposits or other organizations to ensure that the custody of assets is in compliance with the regulations at point e, clause 1 of this Article;

b) The settlement for transactions of securities that are listed, securities registered for trading shall be done in compliance with principles of delivery against payment as well as clearing and settlement rules as stipulated by laws. Settlement for transactions of other assets is made upon eligible requests/instructions of the fund management company and the applicable regulations (if related). The settlement for transactions of securities, assets shall be consistent with the amount of assets, securities and equal to the amount written in transaction documents.

c) Exercise completely rights and duties related to assets ownership of fund, perform tax settlement, balancing of fund;

d) Comply with principles of assets depository of fund in accordance with regulations on establishment and management of securities investment fund.

3. Assets of fund, in form of material or immaterial, registered under the name of the fund or not, deposited at Supervisory Bank and sub-custodian (if any), are the assets belonging to that fund, not to the Supervisory Bank or fund management company. Supervisory Bank shall not use such assets to make payment, guarantee payment for debts of the bank itself or of third parties.

Article 37. Supervisory activities of supervisory bank

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

a) To co-ordinate with the fund management company to periodically review internal procedure of principle, method for defining fund's net asset value; to inspect and supervise the defining of fund's net asset value; to ensure that net asset value per unit of fund is correct, exact and in consistent with regulations of applicable law and fund's charter.

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

c) To supervise the organization and implementation and the appraisal of results of merger, consolidation, dissolution and liquidation of the fund's assets.

d) To supervise, ensure legal status and only using fund's asset to make payment for expenditures consistent with regulations of law and fund's charter;

e) To inspect, supervise other activities of the fund management company in asset management of fund according to regulations of Article 98, Securities Law and fund's charter.

2. The supervisory bank shall be liable to prepare and maintain files, documents in either hard copy or electronic files within 10 years for confirming the compliance of the supervisory bank in supervising the fund management company in accordance with applicable laws as prescribed in Appendix 19 in this Circular. Such documents must be provided upon written request of SSC.

3. The supervisory bank shall be liable to provide the fund management company and appointed audit firm with necessary information in a timely, accurate and sufficient manner so

that those organizations can fully implement the rights and obligations to the fund according to the applicable regulations of the laws and the fund's charter.

4. The supervisory bank shall reserve the right to check the fund management company, review, appraise the capacity of computer system and computer software, require the fund management company to timely provide their procedures for asset management, internal control, risk management, valuation manual, procedures of receiving and executing orders of investors and necessary information related to management of the fund's assets to ensure that the supervisory bank may fulfill their rights and duties to the fund as prescribed by applicable regulations of the laws.

5. The supervisory bank may use services provided by auditing firm and other organizations to implement such duties stipulated in Clause 4 of this Article. The supervisory bank, organizations/individuals conducting examination and supervision over the fund management company at the supervisory bank's request shall be responsible for keeping confidential all information of the fund management company, the fund and investors following applicable regulations. The report of examination with confirmation of relevant parties and other supporting documents must be provided to the fund representative board, SSC by any written request.

6. The supervisory bank shall be entitled to provide fund administration services to the fund management company. The division providing such service at the supervisory bank shall be managed separately from the division conducting the supervision and other business division of the supervisory bank in terms of personnel and electronic database on investors. In case the supervisory bank provides fund administration services as stipulated in points a, Clause 27 Article 2 of this Circular, the division providing such services must have staff with chief accountant certificate or auditing certificates or international certificates in accounting ACCA (Association of Chartered Certified Accountants), CPA (Certified Public Accountants).

7. In case the management company shall not implement the course of actions to remedy the position of the fund within the time regulated at the Circular of the guide on establishment, organization and operation of fund management company, issued by Ministry of Finance, the supervisory bank shall be responsible for reporting to the State Securities Commission within seven (07) days, from the date the supervisory bank sends notice to the fund management company. In this case, the supervisory bank has the right to only execute legal orders and instructions of the fund management company which do not result in the violation of the structure of the portfolio with applicable regulations of the laws and other regulations in the fund's charter.

8. In the case the fund management company must compensate to investors, the supervisory bank must coordinate with the fund management company to execute payment timely and sufficiently to investors according to legal instructions of the fund management company. The supervisory bank is in jointly charge and must compensate to investors and the

fund in case of occurrence of damages because the supervisory bank fails to adequately and timely implement responsibilities for supervising the fund's investment activities, determining the fund's net asset value and other supervision activities to the fund according to the applicable regulations of the laws. Compensation rate shall be implemented based on civil agreements between the fund management company and the supervisory bank.

9. The termination of supervisory rights and obligations to the fund shall be conducted in line with relevant requirements in the regulations on establishment and management of securities investment funds.

Article 38. Reporting regulations of the supervisory bank

1. The supervisory bank must send SSC monthly, quarterly, annual supervising report on supervising activities to the Fund in accordance with the regulations at Appendix No.30 attached to this Circular. The report must assess conformity to the regulations at the fund's charter, applicable laws and regulations on securities and securities market as below:

a) Assessing the fund management company's compliance in the fund's investment activities and transactions;

b) Assessing the calculation of the NAV of the fund in which any incorrectness in valuing the fund's assets (if any) must be specified;

c) Assessing the issuance and distribution of open-ended fund certificates;

d) Violations (if any) of the fund management company and proposals for the measures for handling, recovery.

2. Reports must be attached with electronic data files sent to SSC with the following timeline:

a) Within five (05) days from the end of month;

b) Within twenty (20) days from the end of quarter;

c) Within thirty (30) days at maximum from the date of finalizing audited annual financial statements.

3. The supervisory bank is liable for reporting to SCC within twenty-four (24) hours since violations are detected in the following cases:

a) The fund management company, distribution agents violate the fund's charter and legal regulations in securities and securities markets;

b) Damages derived from asset management activities caused by the fund management company are significant and costs for recovery are material;

4. Except for reporting cases as required at clauses 1, clause 3 of this Article, in necessary cases, SSC is entitled to request the supervisory bank to give extraordinary reports on other relevant activities within its activities to the fund.

5. The supervisory bank must report to SSC within forty-eight (48) hours from receiving a request for reporting as prescribed at clause 4 of this Article.

SECTION III
FUND CERTIFICATE DISTRIBUTION AGENT

Article 39. Registration for open ended fund certificate distribution

1. Conditions for registration for distribution of open ended fund certificate:

a) Being securities firm having brokerage business, fund management company, custodian Bank, insurance company, commercial bank. In case of commercial bank and insurance company, it is required to conduct procedures to register with SSC for distributing fund certificates as prescribed in Clause 3 of this Article;

b) Having at least one business place that is selected as distribution place for open ended fund certificates at the time of registration which meet all requirements as specified in Clause 2 of this Article;

c) Having procedures on fund certificate distribution, including the process, procedure of analysis, update and identification of investor' and beneficiaries' information (with minimum contents specified in Appendix 33 attached herewith), internal procedures on anti-money laundering, code of conducts applied to staff who deal with fund certificate distribution which comply with regulations in this Circular, internal rules on prevention of late trading and arbitrage activities based on taking advantage of time differences, market timing in accordance with international practices.

2. Distribution place of open ended fund certificate must ensure:

a) Being legally business place of distribution agent as stipulated by the Enterprise Law, including head office, branches, transaction offices, representative offices;

b) Having at least two (02) staffs who have securities brokerage certificate, or have passed an examination for brokerage certificate held by the SSC, or being legitimate securities practitioners in foreign countries with certificate on legal framework on securities and securities market of Vietnam;

c) Having adequate facilities and necessary technical platforms for distribution of open-ended fund certificates as follows:

- Having office equipment and computer system supporting the distribution of fund certificates and management of investor database. This system shall ensure the database and information of investors are stored and maintained separately and not shared with other divisions;

- Having safe boxes to maintain and store documents, materials, transaction orders/instructions of investor;

- Having back up system to ensure that the receipt and transmission of orders is maintained smoothly in case of incidents.

3. Application file for registration to be distribution agent of insurance companies and commercial banks shall include:

a) Proposal for being a distribution agent of open-ended fund certificates as in the standard form in Appendix 05 published hereto;

b) Power of attorney of organization who registers for open ended fund certificate distribution to authorize branches, transaction offices, representative offices to provide fund certificate distribution services as in the form in Appendix 06 as attached herewith;

c) Notarized copy of establishment and operation license of organization that registers for open ended fund certificate distribution; a notarized copy of establishment and operation license of branches, transaction offices, establishment and operation license of representative office; or equivalent documents of business places that are authorized to be distribution places for open ended fund certificates;

d) Documents to describe on technical facilities and personnel for fund certificate distribution services of each office which are authorized to distribute fund certificates pursuant to form in Appendix 08 attached hereto, enclosing the list and information of staff who have Certificate for security brokerage as in the form in Appendix 07 of this Circular, and a notarized copy of personal identity card/valid passport of these staff;

e) Procedures as stipulated in point c Clause 1 of this Article.

f) Approval or opinion in written of professional administration agents for allowing to provide open-ended fund certificates distributing agency service (if any).

4. Registration dossier for opening distribution agent shall be made in one (01) original attached with electronic data. An original dossier shall be submitted directly to administrative division of SSC or by post.

5. Within fifteen (15) days from the receipt of complete file registering for being a fund certificate distribution agent, SSC shall issue certificate of registration for fund certificate distribution. In case of refusal, the State Securities Commission shall issue a written reply clearly stating the reasons for such refusal.

6. In case of addition of business places to conduct fund certificate distribution, distribution agent shall inform SSC and file documents as mentioned in points a, b, c, d Clause 3 of this Article within at least 7 days prior to providing the distribution services.

7. Certificate of registration for fund certificate distribution shall be revoked in the following cases:

a) Voluntarily terminating fund certificate distribution activity;

b) Being withdrawn of establishment and operation license, certification of business registration ;

c) During its operation, failing to maintain conditions for registration of fund certificate distribution as stipulated in Clause 01 of this Article; failing to fully comply with regulations as stipulated in Article 40; or violating regulations on distribution agent as stipulated in Article 41 of this Circular.

8. Fund certificate distribution place shall terminate its operation in the following cases:
- a) According to decision of distribution agent;
 - b) Distribution agent terminates existence of branch, transaction office, representative office;
 - c) Distribution place does not maintain necessary conditions for registration for fund certificate distribution as stipulated in Clause 2 of this Article;
 - d) Validity of distribution contract ends.

9. The fund management company takes responsibility to appraise facilities before selecting distribution agent and distribution office to provide services to investors. Assessment report on the facility of distribution agent, distribution office must be kept safe at office of fund management company and be provided upon request of competent authorities. The fund management company must usually check, supervise to ensure that activities of distribution agents are appropriate with the legal regulations and provisions at distribution contracts.

10. In case any distribution agent terminates its operation as stipulated in Clause 7 of this Article, the fund management company shall be responsible for notifying investors of alternative distribution agents. In case distribution place stops its operation as stipulated in Clause 8 of this Article, distribution agents shall be responsible for reporting in advance to fund management company and investors, and also appointing substitute distribution office to provide services to investors.

11. The fund management company shall be allowed to distribute certificates of the fund under its management. In this case, the company shall ensure that:

- a) The offering and distribution are conducted at head office and other legally business places of the company. The execution through internet, phone, fax, email in accordance with regulations on e-trading in securities industry;
- b) Staff dealing with fund certificate distribution is not allowed to concurrently works at divisions related to fund management, investment analysis and internal control.

Article 40. Operations of division agent

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

c) To support investors to conduct procedures to change information in the main register; to confirm investor's ownership of fund units, to transfer of ownership as stipulated in Article 7 of this Circular;

d) To maintain a continuous and smooth communication channel with investor, to keep investors updated with accurate, adequate and timely information, to answer questions of investors about the offered fund products to consolidate the statement of trading accounts of fund certificates; to provide investors with prospectus, simplified prospectus, the fund's financial statements, documents about general meeting of investors and other information; to conduct information disclosure and reporting as authorized by the fund management company;

e) To support the fund management company or related services providers to organize general meeting of investors; to receive delegation to participate and vote at general meeting of shareholders upon written requests of investors;

f) To synthesize, store data on investors and transactions of investors to the Fund management company, related services providers, the SSC upon request of the fund management company and SSC as required by these organizations.

2. Operations of omnibus agent:

a) To act as distribution agent as stipulated in Clause 1 of this Article for investors who transact via investor's account;

b) To set up and monitor the sub-register of investors who register to transact via omnibus account; set up and manage the system of sub-accounts, updating and providing sufficient information on the investors including ownership information, transaction information to the fund management company and related services providers;

c) To execute transaction orders for the omnibus account based on the consolidation of trading orders from investors; ensure the execution of purchase orders in a sufficient manner and distribution of sales orders are executed with equality and the settlement are made in compliance with applicable regulations.

d) Other functions, duties and operation of distribution agents as specified in this Circular.

3. Functions of omnibus agents shall be specified clearly in the prospectus, simplified prospectus. Omnibus agents shall comply with the following regulations:

a) Assets on the omnibus account do not belong to omnibus agent, but to investors in the sub-register of investors. These investors shall have all lawful rights and benefits of the owner in relation to the held fund units in the omnibus account. Investors have the right to ask omnibus agent to transfer ownership of their fund units on the omnibus account to investor account (if any);

b) Omnibus agent must manage separately cash, assets of each investor; manage separately cash and assets of investors from money, assets of itself. Omnibus agent that want to

trade fund certificates proprietarily must open fund certificate trading account independently with omnibus account, as prescribed in point a, clause 1, Article 9 hereof;

c) Omnibus agent is not allowed to use money, assets of investor under any forms; is not allowed to deposit, withdraw, transfer or conduct transactions related to assets of investors on the omnibus account; not allowed to receive delegation of investor to perform money, assets transferring between sub accounts of investors. Transactions related to investors' assets may be executed if consistent with relevant laws and only upon lawful orders/instructions in written of investors;

d) The omnibus agent must open a cash current account for clearing fund certificate transactions as prescribed in clause 23, Article 2 hereof at the supervisory bank for receipt and settlement of fund certificate transactions of investors. Omnibus agent shall only use this account to complete payment for fund certificate transaction of investors or refund to such investor that previously made payment at the agent if requested. Supervisory bank, related services providers, fund management company, omnibus agent must participate in building system or provide co-ordination mechanism to frequently inspect, monitor activities of this account and must ensure:

a. To monitor exactly at all time the balance (if any) of each investor on this account and provide adequately, precisely and timely cash balance (if any) upon written request of investors, competent authorities;

b. Cash (if any) of investors shall not be imposed or used without written delegation of investors. In case of detecting signs of violating this regulation, supervisory bank, fund management company, related services provider shall take responsibility to inform SSC and notify investors within 24 hours;

e) Within three (03) days from the date of receipt of payment from the fund or investors, omnibus agent has to complete payment for investors upon lawful orders/instructions of the fund management company, supervisory bank, or complete payment to the fund upon payment instructions of investors;

Article 41. General provisions on fund certificate distribution

1. Distribution agent and staff who deal with fund certificate distribution shall be voluntary, fair, and truthful to investors, provide all information to investors on an accurate and timely basis to enable investors to make investment decisions on their own. Information, data, economic forecast provided to investors must be based on real events and enclosed with references that professional financial organizations issue and publicly announce. Fund certificate distribution officers shall not provide information that is not yet verified, rumor or misleading information to investors.

2. Distribution officers may offer fund certificates only after investors are provided with the fund's charter, prospectus, simplified prospectus, contracts which are referred in the prospectus and the most updated reports on the fund performance. Distribution officers shall

explain to the investors to ensure that investors understand contents of the fund's charter and prospectus, especially investment objectives and policies, investment strategy to achieve such objectives, features of risks and profit, profit distribution policies, taxes, fees and charges and other expenses, mechanism of fund certificates transactions.

3. Distribution officers shall provide adequate and accurate information on performance of the fund with implication that such historical operating performance is for reference only and may be changed due to the market situation.

4. Distribution officers are not allowed either to provide untrue information, information that magnifies the truth easily leading misunderstanding, provide inadequate and incomplete information, to forecast future events with a view to attract, persuade investors to purchase fund certificates. It is not allowed to cause misunderstanding about profit characteristics and risks of such fund certificates. On comparing this fund certificate with certificates of other open-ended funds, difference among these funds must be clarified and highlighted to the investors for them to choose. It is prohibited to directly or indirectly conduct activities to attract or incite the investors to purchase high risk fund certificates when the investors have not yet understood all about implicit risks of investing into the fund, or in case such funds are inappropriate for the investment objectives and financial capacity of the investors.

5. Distribution agents and distribution officers must keep information on the investors, information on the investors' transactions confidential; they are not entitled to use such information for any purposes otherwise upon the approval of investors or the request of state competent authorities.

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

7. Distribution agents shall not be allowed to distribute fund's certificates at business places which have not yet registered for operation or have not been granted operation certificates pursuant to the applicable regulations or have not notified the State Securities Commission. Distribution agents shall take full responsibility for operations of fund certificates distribution places and distribution officers while distributing fund certificates to investors.

8. The fund management company and distribution agent must annually organize training to enhance knowledge and capability of fund certificate distribution officers. Information on annual training of the fund management company and distribution agent needs to be attached to operational annual report of the fund management company.

CHAPTER VI
INFORMATION FOR INVESTORS

SECTION I
INFORMATION, ADVERTISEMENT AND INTRODUCTION OF OPEN ENDED FUND

Article 42. Provisions on information, advertisement and introduction of open ended fund

1. The fund management company shall be allowed to advertise, provide information and introduce the fund on mass media, by news transmission devices, publication, on boards, panels, posters, unmovable objects, transportation vehicles or movable objects, other commercial means.

2. The fund management company, related organizations, individuals shall not advertise, publicize, introduce funds which have not yet been granted Certificate of fund establishment or have stopped operating, except for workshops or conferences introducing the funds to staffs of state competent authorities.

3. Language and letters used in the information, advertisement and introduction of the fund in the territory of the Socialist Republic of Vietnam shall be Vietnamese, with the exception of internationalized terms or trademarks, terms that may not be replaced by Vietnamese. The representation language shall be easy to understand, not being poly-semantic and misleading. Concepts and terminologies shall be explained and used to the most limited extent. Font size of letters shall be large enough to be recognized in normal circumstance and not be smaller than size twelve (12).

4. Documents of advertisement and introduction of the fund shall be clear, and do not cause misunderstanding that fund certificates are certificates of deposits (CDs), transferable instruments or valuable papers as stipulated in the banking sector, or are financial instruments with a fixed return or a guaranteed profit on the investment. Documents of advertisement and introduction of fund certificates shall not contain judgment which makes investors misunderstand that the value of the investment increases constantly, and they shall not convey any commitment or forecast on the investment results in the future of the fund. This provision shall not apply in the event that the open-ended fund invests fully into bonds and securities with fixed income, capital maintenance fund.

5. In case the fund management company applies special trading techniques or asset management tactics that may cause the net asset value of the fund to have sharp, abnormal fluctuation, introduction and advertisement documents, including prospectus, shall clearly specify reasons and explanation for these techniques and tactics.

6. The fund management company, related organizations and individuals shall not compare with a view to advertising, to guarantee with certainty that the fund's investment results are better than others', the benchmark announced in the prospectus or other economic indicators. The comparison shall comply with the following principles:

a) Comparison shall include uncertainty of the investment results, implicating that investment results may change due to market movements;

b) It shall be done in an honest, fair and accurate manner on the basis of actual performance in the same period. Comparison results shall be assessed objectively by a third party as stipulated in Clause 7 of this Article.

7. When using opinions, assessments of third party, or rating/ranking results for advertisement or introduction of the fund, the following principles shall be followed:

a) Comments, assessments of third party, or rating/ranking results shall be reliable, objective and based on the comparison of real operating performance, documents or events;

b) Comments, assessments, ratings shall be publicly disclosed or publicly conducted by a recognized organization which provides financial and statistical information;

c) Advertisement or introduction of the fund when using quotation of such comments or assessments shall state clearly the source of references including name of the document, name of the publisher, time of publication so that investors may verify;

d) Results of rating or ranking may only be used for advertisement and introduction of fund certificates within a maximum period of one (01) year from the date of conducting of such rating, ranking or awarding;

e) The rating/ranking results shall be conducted based on the comparison of operations of at least five (05) funds with same investment objectives or in the same group of funds with relatively similar portfolio structure, within a minimum period of one (01) year.

8. In the event that state authorities are mentioned in advertisement/introduction of the fund, it shall be clear that such authorities only certifies the lawfulness during the establishment and operation of the fund; such mentioning of the state authorities shall not either imply any guarantee for the content of the information, the advertisement as well as for the investment objectives, strategy of the fund, or guarantee for the fund's assets, value of fund unit, profitability and level risks of the fund. Advertisement/introduction documents of the fund shall not use title, symbol, image, position, prestige, mail of the State agencies, cadres, civil servants of the State management agencies, letter of gratitude of investors to advertise, introduce fund and solicit to buy fund certificates.

9. Contents of information, advertisement and introduction of the fund shall be objective, truthful and clear and shall not cause misunderstanding. Information as such shall be updated to the most recent time. The fund management company and related organizations,

individuals shall be liable for the content, lawfulness of information provided via the activities of informing, advertising, introducing its fund's certificates.

10. Within minimum fifteen (15) days prior to the advertisement/introduction of the fund to the public, the fund management company shall inform SSC about time to start advertisement and enclosing:

a) One set of documents on the fund product advertisement/introduction. In case advertisement/introduction of the fund is done via radio or television, the advertisement script, video tape or sound tape of such advertisement/introduction shall be sent. The script shall clearly describe images, commentaries and music of the advertisements/introduction;

b) In case such advertisement/introduction contains comparisons of the performance of the fund with other indicators, other funds, judgments, comments or awarding, ranking/rating, the verifying documents issued by an accepted organization providing professional rating service shall be sent together.

Article 43. Recommendations

1. Information documents, advertisement and introduction of the fund shall contain the following recommendations:

a) Investors should read through carefully the prospectus before purchasing the fund certificates and pay attention to fees, charges on trading fund certificates;

b) Trading price of fund certificates may change due to market situation and investors may endure losses on their capital invested in the fund;

c) Information on performance of the fund previously (if any) is just for reference and it does not mean a guarantee for profitability for investors.

2. Information documents, advertisement and introduction of the fund shall contain recommendation/warning to investors about risks when investment in the fund is made.

3. The recommendations shall be printed in bold letter and clearly with letter size not being smaller than that of other contents in the publications, advertisements.

SECTION II INFORMATION PROVISION

Article 44. Provision of documents and information to investors

1. The fund management company shall on a monthly, quarterly, annual basis send investors the list of their transactions and balance of trading account, sub-account and report on changes in net asset value of the fund following the form in Appendix 25, 26 of this Circular. For investors trading on omnibus account, the fund management company shall send the list of transactions and balance of personal sub-account upon written request of investors. The time

limit for providing information is within five (05) days, from the date of receipt of investors' document.

2. The fund management company has to publish or provide investors with the following:

a) The prospectus, simplified prospectus; semiannual financial statements, audited annual financial statements;

b) Semiannual and annual operational reports of the fund, including minimum contents as prescribed in Appendix 28 of this Circular.

c) Semiannual and annual statistic report of transaction fee of fund's investment operation, following form in Appendix 27, attached hereof;

d) Semiannual and annual report on the criteria assessing the performance of the fund following the form in Appendix 34, attached hereof;

3. Documents as stipulated in clause 2 of this Article shall be provided free of charge to investors via website of the fund management company, or send directly to investors' email, or by other methods as stipulated in the fund's charter and the prospectus. The disclosure shall be made within thirty (30) days, from the end of semiannual fiscal year; and within ninety (90) days, from the end of annual fiscal year. Investors may refuse to receive documents as set out in Clause 2 of this Article.

4. In case of being requested by investors, the fund management company shall provide investors with procedures on risk management, specifying investment limits, risk prevention and control measures that are applied to manage the fund's assets.

Article 45: Regime of reporting, filing and information managing

1. Fund management company shall send to SSC:

a) Valuation report on the criteria assessing the fund performance on a monthly, semiannually and annually basis, following the form in Appendix 34 as attached hereof;

b) Operational report, including contents as prescribed in Appendix 28 of this Article;

c) Report on fund's assets transaction on a monthly, quarterly and annual basis as prescribed in Article 16 hereof, following the form in Appendix 31, issued hereof;

d) Statistic report of transaction fee of fund's investment operation on a semiannually, annually basis, following form in Appendix 27, issued hereof;

2. Reports must be attached with electronic data within five (05) days from the end of month, within fifteen (15) days from the end of a quarter; within thirty (30) days from the end of a semiannual fiscal year; within ninety (90) days from the end of a fiscal year.

3. Fund management company, supervisory bank shall store all of documents related to the investment operation of the fund in pursuant to the regulations on organization and operation of fund management companies.

4. The fund management company, Supervisory Bank, distribution agents, related service providers, audit organizations, board of representatives and related organizations and individuals shall be responsible for protecting information on operations of the fund, information of investors; not disclosing to any third party, except as required in writing by competent authorities.

CHAPTER VII IMPLEMENTATION

Article 46. Conversion of close-ended fund into open-ended fund

1. Close-ended fund being established before the effective date of this Circular shall be eligible for conversion when meeting with following conditions:

a. Having net asset value at the time submitting conversion dossier at a minimum of VND fifty (50) billion;

b. Investment portfolio shall only contain equities which are listed , registered for trading at SEs, cash and other cash-equivalent amount following investment restriction ratio as prescribed in Article 15, Article 16 of this Circular;

c. Having fund conversion plan approved by investors' general meeting. Resolution of investors' general meeting must be approved investors representing for at least seventy five percent (75%) of total fund units.

2. Fund management company must seek opinions of investors on fund conversion. At least fifteen (15) days prior to an investors' general meeting, fund management company shall provide investors with documents related to fund conversion, including:

a. Conversion plan, with detailed conversion cost;

b. Audited annual financial statement and audited financial statement of the most recent quarter.

3. Within seven (07) days, from the date that fund's certificates are delisted or suspended to perform conversion, fund management company must complete procedure, dossier requesting the SSC to adjust registration certificate on the establishment of the new fund. Dossiers shall contain documents as bellow:

a. Request for adjusting registration certificate on the establishment of fund following form as prescribed in Appendix 14, issued hereof; attached with original registration certificate on the establishment of converted fund;

b. Minutes and resolution of investors' general meeting regarding fund conversion attached with conversion plan approved by investors' general meeting;

c. Confirmation of a supervisory bank and an auditor on investment portfolio; net asset value of fund on the last trading day; net asset value per one unit on the last trading day, following form on asset and investment portfolio of fund in appendix 34, issued hereof;

d. Approval for delisting or suspending fund certificates, issued by the SEs.

e. Other documents as prescribed in point b, c, d, e, f Clause 1 Article 4 hereof.

4. Within fifteen (15) days, from the receipt of adequate dossier as prescribed in clause 3 this Article, the SSC shall adjust registration certificate on fund establishment. Conversion date means the effective date of adjusted register certificate on the fund establishment. 5. Within three (03) days, from conversion date, fund management company or related services provider shall notice investors the following contents:

f. Conversion date;

g. Net asset value at conversion date;

h. List of distribution agents, related service providers (if any), supervisory bank, custodian bank (if any);

i. The first trading date of open-ended fund certificate;

j. Confirmation on the number of investors' fund units; account numbers of fund certificate trading account or fund certificate sub-trading account;

k. Procedure on the trading of fund certificate.

5. Within fifteen (15) days, from conversion date, fund management company, supervisory bank, related services provider (if any), VSD, distribution agent and other organizations (if related) shall cooperatively complete main register, sub register, and adjust information regarding register for fund establishment certificate in accordance with regulations of laws.

6. Converted fund shall take all rights, responsibilities and lawful interests converted fund. Investors shall not incur any fees for conversion.

Article 47. Implementation

1. This Circular shall take effect from 01 March 2012

2. The SSC, fund management companies, supervisory banks, related services providers and organizations and individuals related to the operations of open-ended fund shall implement provisions in this Circular.

3. The amendment, supplementation of this Circular is subject to decision of the Minister of the MOF.

Recipients:

- Government Office;
- Central Office and Party Committees;
- National Assembly Office;
- State President Office;
- Steering Committee of Anti-corruption;
- Ministry; ministerial-level authorities, Government bodies;
- Central authorities of Unions;
- People's committee, People's Council of Province, and central cities;
- People's Supreme Procuracy, People's Supreme Court;
- State Audit;
- Official Gazette
- Document Verification Department – Ministry of Justice;
- Departments of the MOF;
- Government Website;
- MOF website;
- Stored in: Archives, SSC.

**On behalf of Minister
Deputy Minister**

(signed)

Tran Xuan Ha