



Global Knowledge. Local Expertise

PROSPECTUS

VCBF BLUE CHIP FUND (VCBF - BCF)

June, 2014

Please note that this document is a translation of the Vietnamese version, and only the Vietnamese version has been approved by the State Securities Commission and is consequently the official and the only binding text. This translation is provided for convenience only, and has not been independently verified by the Company's Vietnamese legal counsel. While Vietcombank Fund Management has made every effort to ensure that the translation is accurate and provides a reliable transcription of the binding Vietnamese original, it does not guarantee that the English translation is wholly or truly accurate and/or reflects the expressed or implied legal formulations or interpretations conveyed in the Vietnamese original. Investors relying on the English translation are advised to obtain independent confirmation.

The Fund in this Prospectus is offered under Initial Public Offering certificate issued by State Securities Commission of Vietnam ("SSC"). The certificate only implies that the application for the establishment of a fund and issuance of fund certificate has been made in accordance with relevant legal regulations, but does not imply that the SSC gives any warranty, confirmation or guarantee of the contents of the Prospectus, or the Fund's investment objectives or strategies.

The Fund described in this Prospectus was established in accordance with the Securities Law No. 70/2006/QH 11 passed by the National Assembly of the Socialist Republic of Vietnam on June 29, 2006 and documents guiding the implementation thereof. This Prospectus has been registered with the SSC on 22 May 2014.

The Prospectus contains concise information about the Fund that a prospective investor should know before investing. Please retain this Prospectus for future reference. Investors should also be aware of any changes to this Prospectus after the date of this document. Investors are advised to read additional documents such as the Fund Charter, fund performance reports (after launching), prior to making their investment decision.

PROSPECTUS

VCBF BLUE CHIP FUND (VCBF-BCF)

INITIAL PUBLIC OFFERING & ON-GOING OFFERING

*Initial public offering certificate number 34/GCN-UBCK dated 12/5/2014
Prospectus registration date: 12/5/2014*

RESPONSIBLE FOR ISSUANCE: Vietcombank Fund Management

Head quarter:

- Address: 15th Floor, Vietcombank Tower, 198 Tran Quang Khai Street, Hanoi, Vietnam
- Tel: (84-4) 3 936 4540 Fax: (84-4) 3 936 4542
- Email: Investor@vcbf.com or NhaDauTu@vcbf.com
- Website: www.vcbf.com

Ho Chi Minh City Branch

- Address: 14th Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai, District 3, Ho Chi Minh City, Vietnam
- Tel: (84-8) 3 8270 750 Fax: (84-8) 3 8270 751

WHERE TO GET THIS PROSPECTUS:

Updated copies of this Prospectus and Fund documents (performance reports, financial reports, Charter and other pertinent documents) are available on VCBF's website, www.vcbf.com, or from the offices of Vietcombank Fund Management and its authorised distribution agents.

RESPONSIBLE FOR INFORMATION DISCLOSURE:

Mr. Avinash Deepak Satwalekar

Title: Chief Executive Officer – VCBF

IMPORTANT NOTICE

Prospective investors should review this Prospectus carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (transfer, switch or redemption or conversion into money) of Units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (transfer, switch or redemption or conversion into money) of Units within the jurisdiction applicable to their nationality, place of residence or under the laws of any jurisdiction to which they or any managed Funds to be used to purchase Units are subject, and also to determine any possible legal, tax, financial or other consequences of subscribing and holding Units before making an application for the Units.

Neither this Prospectus nor the Units have been registered in any jurisdiction other than Vietnam. The distribution of this Prospectus in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Prospectus in certain jurisdictions are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of this Prospectus or any accompanying Application Form in such jurisdiction may treat this Prospectus or such Application Form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such Application Form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Application Form could lawfully be used without compliance with any registration or other legal requirements.

No person has been authorized to give any information or to make any representations not confirmed in this Prospectus in connection with this Offer or the issue of Units, and any information or representations not contained herein must not be relied upon as having been authorized by VCBF. The investor is requested to check the credentials of the individual/firm he/she entrusting his/her Application Form and payment to, for any transaction with the Funds. The Fund or VCBF shall not be responsible for any acts done by the intermediaries representing or purportedly representing such investor.

TABLE OF CONTENTS

I.	PEOPLE RESPONSIBLE FOR INFORMATION PRESENTED IN THE PROSPECTUS	6
1.	FUND MANAGEMENT COMPANY	6
2.	SUPERVISORY BANK	6
3.	LEGAL COUNSEL	6
II.	DEFINITIONS	6
III.	FUND SUMMARY AND SUBSCRIPTION AND REDEMPTION TERMS	9
1.	FUND SUMMARY	9
2.	SUMMARY OF SUBSCRIPTION AND REDEMPTION TERMS OF FUNDS	10
IV.	RISKS ASSOCIATED WITH FUND INVESTMENTS	11
V.	INVESTMENT OPPORTUNITIES	16
VI.	GENERAL INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS	17
1.	INVESTMENT OBJECTIVE	17
2.	INVESTMENT POLICIES	17
3.	STATUTORY INVESTMENT RESTRICTIONS	18
VII.	DETAILED FUND INFORMATION	19
1.	NAME AND TYPE OF THE FUND	19
2.	INVESTMENT OBJECTIVE	19
3.	ASSET ALLOCATION	19
4.	PRINCIPAL INVESTMENT STRATEGY AND INVESTMENT SELECTION METHODS	20
5.	AMENDMENTS OF INVESTMENT OBJECTIVE, ASSET ALLOCATION AND PRINCIPAL INVESTMENT STRATEGY	20
6.	PRINCIPAL RISKS	20
7.	PORTFOLIO TURNOVER	20
8.	PERFORMANCE	21
9.	BENCHMARK	21
VIII.	DIVIDEND POLICY	21
IX.	INITIAL PUBLIC OFFERING DETAILS	22
X.	ON-GOING OFFERING DETAILS	23
1.	TRADING DAY	23
2.	CUT-OFF TIMES	23
3.	LATE TRADING AND MARKET TIMING	23
4.	SUBSCRIPTION OF FUND UNITS	24
5.	REDEMPTION OF FUND UNITS	26
6.	SWITCHING OF FUND UNITS	28
7.	TRANSFERRING OF FUND UNITS	29
8.	ORDER CANCELLATION	29
9.	SUSPENSION OF EXECUTION OF FUND TRANSACTION ORDERS	29
10.	SYSTEMATIC INVESTMENT PLAN	30

XI.	VALUATION OF ASSETS	33
1.	COMPUTING OF NET ASSET VALUE	33
2.	VALUATION DAYS	34
3.	VALUATION OF ASSETS	34
XII.	FEES AND EXPENSES	37
1.	TRANSACTION FEES	37
2.	OPERATING AND ADMINISTRATION EXPENSES	39
XIII.	INFORMATION ON MANAGER AND SERVICE PROVIDERS	40
1.	INFORMATION ON THE MANAGER	40
2.	JONT VENTURE PATNERS OF VCBF	43
3.	FUND REPRESENTATIVE BOARD	44
4.	SERVICE PROVIDERS	44
5.	AUTHORIZED AGENTS	46
XIV.	CONFLICTS OF INTEREST	46
XV.	TAXATION	47
XVI.	REPORTING AND DISCLOSURE	49
1.	INVESTOR LEVEL REPORT	49
2.	FUND LEVEL REPORT	49
3.	AD HOC REPORT	49
4.	REPORT DELIVERY	49
XVII.	SUMMARY OF THE CHARTER	49
XVIII.	LEGAL BASES	54
XIX.	CONTACT	55
XX.	COMMITMENTS	55

I. PEOPLE RESPONSIBLE FOR INFORMATION PRESENTED IN THE PROSPECTUS

1. FUND MANAGEMENT COMPANY

Vietcombank Fund Management	
Mr. Pham Quang Dung	Chairman
Mr. Avinash Deepak Satwalekar	Chief Executive Officer
Ms. Nguyen Bang Tam	Chief Accountant

We warrant that having conducted reasonable investigation, the information and data contained herein is true to the best of our knowledge. However, information in this Prospectus was not verified by any other parties except as set out in this Prospectus.

2. SUPERVISORY BANK

Deutsche Bank AG - Ho Chi Minh City Branch
Representative: Mr. Tri Pham
Title: General Director

This Prospectus constitutes a part of the application documents for offering prepared by VCBF with the certification of Deutsche Bank AG - Ho Chi Minh City Branch ("Deutsche Bank"). We hereby declare that the analysis, assessment and selection of wordings of this Prospectus have been made in an appropriate and adequate manner based on information and data provided by VCBF.

3. LEGAL COUNSEL

Baker & McKenzie (Vietnam) Ltd - Hanoi Branch

Baker & McKenzie is acting as Vietnam legal counsel to the Manager in connection with this offering of Fund Certificates in the Fund. Prospective investors should seek advice of their own counsel.

II. DEFINITIONS

"Accepted Orders"	means either Accepted Subscription Order or Accepted Redemption Orders or Accepted Switching Orders or Accepted Transfer Orders individually or Accepted Subscription Orders and Accepted Redemption Orders and Accepted Switching Orders and Accepted Transfer Orders collectively.
"Accepted Redemption Orders"	means redemption orders from Unitholders that are accepted for execution after the number of Fund Units to be redeemed has been confirmed as held by such Unitholders.
"Accepted Subscription Orders"	means subscription orders from investors that are accepted for execution after the subscription documents have been accepted and receipt of full payment has been confirmed.
"Accepted Switching Orders"	means switching orders from Unitholders that are accepted for execution after the number of Fund Units to be redeemed has been confirmed as held by such Unitholders.
"Accepted Transfer Orders"	means transfer orders from Unitholders that are accepted for execution.
"AML"	means anti-money laundering.
"Application Form"	means the form to apply for an initial subscription or subsequent transaction of Fund Units.
"Business Day"	means a day on which the stock exchanges in Vietnam are open for business.

“Charter”	means the charter and the appendices attached thereto providing the governing rules and regulations for the Fund.
“Charter Capital”	means the total capital of the Fund paid up by all investors in the initial public offering.
“Cut-off time”	means the point of time before which orders received can be executed on the Trading Day, as specified in Section X.2.
“Distribution Agents”	means agents authorised to accept transaction orders for Fund Units from investors.
“DPP”	means dividend payout plan as described in Section VIII.
“DRIP”	means dividend reinvestment plan as described in Section VIII.
“Financial Year”	means a 12 (twelve) month period starting on 1 January and ending on 31 December of a calendar year. The first financial year shall be from the day on which the certificate for registration of establishment of a Fund is issued by the SSC to the end of 31 December of such year, unless the remaining period of the first financial year is under 3 (three) months, in which case the first financial year shall end on 31 December of the following calendar year.
“FTI”	means Franklin Templeton Investments as further described in Section XIII.2.2 of this Prospectus.
“Fund”	means VCBF Blue Chip Fund (“VCBF-BCF”) as described in this Prospectus
“Fund Certificates”	means the securities issued by VCBF on behalf of VCBF-BCF in the form of book-keeping entries, which evidence the legal rights of Unitholders to the Fund’s assets or capital in proportion to the number of Fund Units held by such Unitholders.
“Fund Dividend”	means profits of the Fund distributed in proportion to the Fund Units held by the Unitholders and approved by the Investors General Meeting.
“Fund Representative Board”	means the board elected by the Investors General Meeting to represent Unitholders of the Fund.
“Fund Units” or “Units”	means the unit of ownership of a Fund’s capital bearing the holder one vote.
“HNX”	means Hanoi Stock Exchange.
“HSX”	means Ho Chi Minh City Stock Exchange.
“IPO”	means the first offering of Fund Units of that Fund for subscription to the public.
“Investors General Meeting”	means a meeting of the Unitholders of the Funds held on a regular or extraordinary manner to approve such matters of the Fund which requires a decision of the Unitholders. The Investors General Meeting is the highest authority of the Fund.

“KYC”	means know-your-customer.
“Law” or “Laws”	means the law or laws of the Socialist Republic of Vietnam.
“Manager”	means the Vietcombank Fund Management as further described in Section XIII.1.1 of this Prospectus.
“Net Asset Value” or “NAV”	means the total value of the assets held by a Fund minus its liabilities for a Fund on a Valuation Day.
“Official Transaction Acceptance Points”	means head offices of Distribution Agents and their branches, transaction offices or representative offices that are authorised to accept transaction orders as specified in Section XIII.4.2 and Appendix 2 of this Prospectus.
“Prospectus”	means this document, the appendices attached hereto and legal modifications (if any) made from time to time by the VCBF providing accurate, truthful and objective information of the VCBF-BCF and information about the offerings and transactions of the Fund’s Certificates.
“Record Date”	means the date on which the Unitholders recorded in the Register are considered eligible for attendance at an Investors General Meeting, for dividend payments and other Fund actions.
“Redemption Order”	means an order of a Unitholder that the Fund redeem some or all of its owned Units.
“Register”	means the document providing details of every Unitholder of the Fund.
“SIP”	means a systematic investment plan, which is a plan to make investments in Funds at a regular frequency as described in Section X.9 of this Prospectus.
“SSC”	means the State Securities Commission of Vietnam.
“Subscription Order”	means an order of an investor to buy Units of the Fund.
“Supervision Contract”	means the contract entered into between VCBF and the Supervisory Bank.
“Supervisory Bank”	means the bank providing the services of safekeeping and custody of securities; verifying the Fund’s legal assets, economic contracts, and other documents in relation to the Fund’s assets; supervising the Fund’s operations, and monitoring the asset management activities related to the Fund conducted by the Manager.
“Switching Order”	means an order of a Unitholder to redeem some or all of the Units of one Fund to buy Units of another Fund.
“Trading Day”	means a Business Day as defined in Section X.1 of this Prospectus on which the Manager, on behalf of a Fund, issues, redeems, switches and/or transfers Fund Certificates.
“Transfer Agent”	means the Manager or a service provider authorized by the Manager to maintain the Register.
“Transfer Order”	means an order of a Unitholder to transfer the ownership of a specified number of Units to another investor as gifts or inherited or by court order.
“Unitholder”	means an investor registered as owner of Units in the Register.

“Valuation Day”	means a day on which the NAV of a Fund is calculated as specified in Section XI.2 of this Prospectus.
“Vietcombank Fund Management Company” or “VCBF”	means the company which was established under the license No. 06/UBCK-GPHĐQLQ issued by the State Securities Commission on 2 December 2005.
“Vietnam Accounting System”	means the accounting system defined by the Ministry of Finance of the Socialist Republic of Vietnam that applies to companies incorporated in Vietnam.
“Vietnam Dong” or “VND”	means the legal currency of the Socialist Republic of Vietnam.
“VN Index”	means the index of the HSX.
“VN100 Index”	means the index of 100 (one hundred) largest market capitalization and high liquidity stocks on the HSX.
Other definitions	other definitions (if any) shall be construed as prescribed in the Law mutatis mutandis as the context of the Charter or this Prospectus requires.

III. FUND SUMMARY AND SUBSCRIPTION AND REDEMPTION TERMS

1. FUND SUMMARY

VCBF BLUE CHIP FUND

• Name of the Fund in English	VCBF Blue Chip Fund
• Name of the Fund in Vietnamese	Quỹ Đầu Tư Cổ Phiếu Hàng Đầu VCBF
• Abbreviated Name	VCBF-BCF
• Nature of the Fund	An open-ended equity fund
• Investment objective	Capital appreciation
• Asset Allocation	The fund shall primarily be invested in listed stocks with high market capitalization
• Benchmark	VN100 Index
• Dividend Policy	Options to Payout or Reinvest
• IPO License Number	34/GCN-UBCK
• Registration Number	- to be issued -
• Fund Life	Unlimited

2. SUMMARY OF SUBSCRIPTION AND REDEMPTION TERMS OF FUNDS

2.1 Minimum amounts

Initial subscriptions:	VND5,000,000	(five million Vietnam Dong)
Subsequent subscriptions:	VND1,000,000	(one million Vietnam Dong)
Redemptions:	VND1,000,000 100 Units	(one million Vietnam Dong) or (one hundred Units)
Switching:	VND1,000,000 100 Units	(one million Vietnam Dong) or (one hundred Units)
Transfer:	100 Units	(one hundred Units)

The minimum redemption amount does not apply to the last redemption of Unitholder from a Fund

Minimum Account Balance	100 Units	(one hundred Units)
-------------------------	-----------	---------------------

Should a Unitholder's Fund account balance fall beneath the minimum due to Redemption or Switching Orders, the entire number of Units will be redeemed or switched.

2.2 Subscription Price

After deduction of the applicable subscription fee, ongoing subscriptions will be at NAV at the Trading Day per Unit.

2.3 Redemption Price

Redemptions will be at NAV at the Trading Day per Unit minus the applicable redemption fee.

2.4 Fee Structure

Subscription Fees:	Are charged on the gross subscription amounts as follows:	
	- VND1.0 million to VND500.0 million:	2.0%
	- More than VND500.0 million to VND1.0 billion:	1.5%

For amounts over VND1.0 billion (one billion Vietnam Dong), special rates are applied as given in Section XII.1.1 Subscription Fee.

A discount of 20.0% (twenty per cent) of the Subscription Fee will be applied to the IPO of the Fund.

A discount of 20.0% (twenty per cent) of the Subscription Fee will be applied to subscriptions of investors that invest under a monthly or quarterly Systematic Investment Plan for 12 (twelve) consecutive months, as given in Section X.9.4.

Redemption Fees:	Are charged for partial or complete redemptions of Fund Units on the gross redeemed amount according to the period calculated on a first-in, first-out basis of the redeemed Fund units as follows as given in Section XII.1.2 Redemption Fee:	
	- 1 month or less	3.0%
	- More than 1 month to 12 months	1.0%
	- More than 12 months to 24 months:	0.5%
	- More than 24 months:	0.0%

- Switching Fees: Are charged on the amount redeemed from one Fund and invested in another Fund on the same Trading Day depending on the Subscription Fee of the subscribed Fund relative to the Subscription Fee of the redeemed Fund as follows:
- In case it is higher: a charge equal to the difference of the subscription fees at the time of the switch
 - In case it is equal or lower: no charge

The holding period of the new Units subscribed to within a switch is reset to the date of the execution of the switch.

- Transfer Fees: Are charged for the transfer of Fund Units from the registered beneficial owner to another beneficial owner: VND300,000 (flat fee)

2.5 Liquidity

Fund Units may be redeemed or switched or transferred on a Trading Day as defined in Section X.1. The net redemption amount after redemption fees and tax, if any, will be paid to the Unitholders within the regulatory time limit of 5 (five) Business Day after the Trading Day.

2.6 NAV calculation

- The Fund's NAV is calculated on every Valuation Day and are published on VCBF's website and by Distribution Agents.
- The Fund's NAV per Unit will be calculated to 2 (two) decimal places by rounding down the third decimal.

2.7 Disclosures

- The Fund will publish the semi-annual and annual financial statements, semi-annual and annual performance reports and other reports in accordance to the Charter and the Law.

The above terms are subject to change according to market developments, and may be amended from time to time by VCBF in subsequent revisions of this Prospectus.

IV. RISKS ASSOCIATED WITH FUND INVESTMENTS

Open-ended funds, similar to any other investment, involves risks that the principal may be partially or wholly lost, that there are no returns or that the returns are lower than expected or lower than other alternatives that were available at the time of the original investment over the same investment period. Investors must be aware of such risks at the time of making the investment, and of their capacity to accommodate possible losses of principal or of lower returns.

As the investment manager, VCBF aims to manage the investment risks, and, if possible, to limit the impact of such risks using best international investment management practices. It is important that investors note that:

- The Fund, VCBF, their directors and employees make no guarantee against loss of the principal nor any guaranteed or assured returns on the investment;
- There is no guarantee or assurance on the frequency or amount of any dividends;
- Past performance of a Fund, of VCBF or of its owners do not indicate or guarantee the future performance of the Fund;
- The name of the Fund does not in any manner indicate either the quality of the Fund or its future prospects and returns;
- VCBF is not liable for the investment risks of the Fund, nor are its shareholders, directors and employees liable for operational risks of VCBF managing the Fund.

Risks in securities investments are conventionally classified into the following risks:

1. **Credit risk or default risk:** Credit risk or default risk is the risk that an issuer is unable to meet its obligations on the principal and interest payments when they are due.

- **Risk impact:** Credit or default risk is primarily a risk associated with bonds. However, a credit risk or default risk also needs to be considered with issuers of shares, as a default on debt obligations will increase the costs of debt and could lead to the bankruptcy of the company, which can lead to a – possibly dramatic – fall of its share price.

Companies that may be considered out of favor, particularly companies emerging from insolvency, may tend to lose value more quickly in periods of anticipated economic downturns. These companies usually have more difficulty retaining customers and suppliers and, during economic downturns, may have difficulty paying their debt obligations or finding additional financing.

- **Risk management techniques:** company's financial statements are used to monitor credit and default risk, and as these are published quarterly for listed companies, projections of cash flows are used to estimate a company's financial status and outlook. The Vietnamese securities exchanges monitor the financials of listed companies, and to protect investors will suspend or delist shares of companies that have unsound or inadequate financial status.

2. **Market Risk:** Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and the market prices of securities will affect the Fund's income or the value of its holdings of financial instruments.

- **Risk impact:** The market value of securities owned by the Fund will go up and down, sometimes rapidly or unpredictably. A security's market value may be reduced by market activity or other results of supply and demand unrelated to the issuer. This is a basic risk associated with all securities. When there are more sellers than buyers, prices tend to fall. Likewise, when there are more buyers than sellers, prices tend to rise.

- **Risk management techniques:** Many factors contribute to market risk. The macro-economic conditions are monitored to assess general factors that influence the securities market, ranging from monetary and fiscal policies, inflation expectations, business sentiment and taxation to demographic changes. Due to its broad nature, market risk is managed by identifying and managing a number of specific risks that contribute to market risk. The chief component risks that are routinely monitored are:

- 2.1 **Interest rate risk** is the risk that the fair value or future cash flows of the Fund's financial instruments will fluctuate as a result of changes in market interest rates, which can arise from changes in demand and supply for money and other macroeconomic factors. Equity is indirectly exposed to interest rate.

- **Risk impact:** Interest rate increases have an indirect and mixed impact on equity prices, which depend on each company's borrowing requirements and structure (a company with a high proportion of long-term, fixed interest rate debt being less exposed than a company using short-term credit facilities), the ability of companies to increase sales' prices due to higher financing costs, as well as inflationary expectations.
- **Risk management techniques:** Company's financial statements are used to monitor interest rate risk as these are published quarterly for listed companies. Projections of debt level and cash flows are used to estimate a company's financial status and outlook.

- 2.2 **Market price risk** is the risk that the value of the financial instruments will decrease as a result of change in market indices and the values of individual securities.

- **Risk impact:** Falling market prices lead to lower valuations of the investments.
- **Risk management techniques:** Market price risk is reflected in the price volatility of a security which is the relative rate at which its price moves up and down relative to the other securities in the

market. To manage market price risk, the volatility of individual securities is assessed and monitored. Above average volatility implies that the security has higher risk (but also potential for greater returns). Volatility is measured using statistical methods (a security's standard deviation from average, or its β -coefficient). Companies with strong fundamentals tend to have lower volatility than the market.

2.3 Inflation risk is the risk that the value of the Fund's investments decreases with inflation.

- **Risk impact:**

The impact of inflation on equities is uncertain. The less the ability a company has in passing the effect of inflation on to its consumers, the smaller its profits and negatively affects its value. The reverse applies to companies that are more able to pass the effect of inflation to its consumers and clients, the higher is its value. Thus a stock provides a hedge against inflation only when the company is able to pass that inflation on to consumers. In addition, when inflation increases, the cost of borrowing is generally increased due to increase in interest rates, and as a result, companies have to limit their investment plans. This reduces their growth and consequently can reduce their valuation.

- **Risk management techniques:**

The inflation risk on equities can be mitigated by increasing exposure to equity sectors which are expected to pass on higher percentage of inflation cost to prices.

2.4 Currency risk is the risk that the value of the Fund's investments and financial instruments will be affected by changes in exchange rates.

- **Risk impact:** The Fund's investments are exposed to currency risks to the degree that investee companies are involved in foreign trade and have assets or liabilities in foreign currency.

- **Risk management techniques:** The exposure of investee companies to foreign exchange risk is monitored by analyzing their revenue sources and liabilities.

The Fund's assets and liabilities are denominated in Vietnam Dong which is the Fund's functional currency. Foreign investors are, however, exposed to currency risk for the duration of their investments in Vietnam, for which the Fund will have no protection; if required, foreign investors will need to seek instruments to hedge their own currency risk exposure.

3. Liquidity Risk: Liquidity risk is the risk that the liquidity of buyers or sellers of securities is too low for the Fund either to sell or to buy securities at given prices when required. While securities that are listed on the stock exchange generally carry lower liquidity risk than unlisted securities, the ability to sell these investments may be limited by overall trading volumes of the stock exchanges. A measure of the liquidity risk, and the ease with which a security can be sold, is the spread between the bid price and the offer price. Less liquid securities will have wider spreads than more liquid securities. A liquidity risk of shares exists for companies with small market capitalization, and can also arise when the free float, i.e. the stocks available for trading in the market and not held by institutional investors, of companies with larger market capitalization is small.

The Fund may invest in non-listed offered securities. This may also expose the Fund to liquidity risks.

- **Risk impact:** Low levels of liquidity of securities may impact the liquidity of transaction of the Fund Units (see number 7 below). This will lead to unfavorable buying and selling prices, and hence may impact the performance of the Fund (see number 5 below).

- **Risk management techniques:** Liquidity risk will be monitored in terms of the number of days it takes to liquidate every security in the portfolio assuming a share of the average volume traded over the previous one year. Efforts will be made to keep the average liquidation period under prudent limits prescribed internally.

4. **Settlement risk:** Settlement risk is the risk that the Fund enters into a securities transaction with a counterparty that fails either to pay for the securities delivered by the Fund or to deliver the securities against the payment from the Fund.
- **Risk impact:** Settlement risk is limited in Vietnam to unregulated and private securities transactions. Securities transactions on the listed market are all conducted through brokers that must evidence availability of the cash for payment or of the securities for delivery before conducting a transaction. Short selling is prohibited.
 - **Risk management techniques:** The Fund will only enter into securities transactions for unlisted securities with reputable counterparties, and if necessary, sight evidence of cash or securities or take other due diligence measures to limit settlement risk.
5. **Fund performance risk:** This is the risk that a Fund may not perform as expected, and performance may be lower than other alternatives available when making the investment. The performance of the Fund may be affected by the investee companies' performance, macro-economic factors, changes in Government policies, regulatory changes, general levels of interest rates and risk associated with trading volumes, liquidity and settlement systems in the securities markets.

The payment of dividends is subject to the availability of adequate distributable earnings, the Fund's distribution policy and requires approval of an Investors General Meeting and/or the Fund's Representative Board. Depending on the availability of distributable earnings, investors may not receive dividends in the amounts or at the times expected.

6. **Investment style risk:** This is the risk that arises from the Fund's investment style. Accordingly a Fund's risk may increase or decrease depending upon its investment style. The fund investment risk for the two prevalent investment styles is:
- *Growth Style Investing:* Growth stock price reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections. Prices of these companies' securities may be more volatile than other securities, particularly over short term.
 - *Value Style Investing:* A value stock may not increase in price as anticipated by the investment manager if other investors fail to recognize the company's value or the factors that the investment manager believes will increase the price of the security do not occur.
 - **Risk management techniques:** A risk of concentration due to the investment style is managed through maintaining a well diversified portfolio comprising of securities across various sectors of the economy so that sector-specific risks can be limited. In general, appropriate diversification across segments by market capitalization also helps manage a Fund's volatility and liquidity. However, the ability to manage risk is limited depending on the number of securities available for a particular investment strategy and within various segments. The investor needs to consider the investment strategy of the fund and decide whether the risk of the investment style is compatible with their investment goals and risk tolerance.
7. **Fund liquidity risk:** This is the risk that a Fund is not able to liquidate sufficient assets in order to pay redemption orders of investors on a particular Trading Day or for a longer period. When either the NAV of a Fund falls below or the net amount of redemptions relative to the NAV is above critical thresholds set by the Law, redemptions are only partially executed or can be suspended (please refer to the Section X.5.4 "Partial Execution of Redemption Orders" and Section X.8 "Suspension of Execution of subscription and Redemption Orders" for details).

Apart from conditions set by the Law, a Fund may also be unable to meet some or all redemption orders in a timely manner due to illiquidity of the market and an inability of the Fund to make sufficient divestments of its investments. Market conditions, changes in regulations and other factors such as low trading volumes, long settlement periods or transfer procedures may restrict the liquidity of the Fund's investments, and lengthen the time needed for settlement especially in case the Fund have to meet an inordinately large number of Redemption Orders.

A small proportion of a Fund's investments may be in unlisted securities within the investment strategies of the Fund and in accordance to regulatory limits. Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a higher liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including put options. This may however increase the risk of the portfolio. Additionally, the liquidity and valuation of the Fund's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to the target divestment date.

- **Risk management techniques:** The Fund will endeavor to maintain an appropriate level of liquidity by investing in a sufficient proportion in assets with a liquid market to ensure that redemption payments that can be reasonably expected are made on time and not affected by illiquidity of underlying stocks.
- 8. Risk of compulsory dissolution:** A Fund faces the risk of compulsory dissolution if the NAV is below VND10,000,000,000 (ten billion Vietnam Dong) for 6 (six) consecutive months. In this case, an Investors General Meeting may be called to liquidate a Fund or to merge a Fund with another Fund, depending on which is considered in the best interests of the investors.
- 9. Fund Management Risk:** This is the risk that investment decisions made by VCBF will not always be profitable or meet the expectations when the investments were made or that key staff of VCBF's investment team leave the company. Accordingly, Unitholders may incur losses.
- **Risk management techniques:** Performance of the Manager is supervised both by internal assessment of the investment team as well as by the SSC. VCBF's investment team members receive internal training and are encouraged to obtain additional external qualifications in international investment practices. The performance of all of VCBF's staff is assessed on an annual basis, and good results are rewarded to motivate and retain staff.
- 10. Risk of Fund Price Fluctuation Due To Large Orders:** This is the risk that a large single investor or a number of investors holding a substantial portion of a Fund's Units decide to redeem Units simultaneously. This may have an adverse impact on Unit price of the Funds if the redemptions require VCBF to make divestments of the Fund's investments at unfavorable prices.
- **Risk management techniques:** The risk of a large investor adversely affecting the Unit price when redeeming its fund units is commonly managed by applying either redemption gates or swing pricing or a dilution levy. Redemption gates limit the size of individual redemptions. Swing pricing adjusts the NAV at which subscriptions or redemptions are executed by a swing factor, which is designed to offset the impact of a large amount of net redemptions. A dilution levy increases the redemption price of that Unitholder making a redemption above a certain threshold and is paid to the fund.
- 11. Legal and Regulatory Risks:** This is the risk that the Law or regulations change or their interpretation or implementation is changed in a way that affects the Fund or the valuations of the assets of the Fund.
- **Risk management techniques:** Changes in the Law and regulation are normally made in advance of the date of effectiveness of such changes. The impact of the changes on the Funds and investee companies is assessed, and, if necessary and possible, changes to the Fund's portfolio structures or of the investee companies are made.
- 12. Extraordinary Risks:** These are risks that unexpected events occur which have an abrupt and significant impact on the value of all or some of the Fund's assets. These events – either actual or rumored – may include:
- Natural catastrophes, such as earthquakes, floods, fires, nuclear disasters;
 - Business events, such as bank runs, incapacitation of key executives;
 - System events, such as malfunctioning of computer or communication systems.

- **Risk management techniques:** Due to their nature, there are limited methods to mitigate extraordinary risks that have widespread impact. Diversification of a Fund's investments in various sectors and industries mitigates extraordinary risks that do not impact all securities simultaneously or impact at different levels. On company level, insurance policies and disaster recovery plans can limit the impact of some extraordinary risks.

13. Individual Fund Investment Risks: Please refer to Section VII.1.4 for the asset allocation intended to the Fund and refer to the above for the individual risks pertaining to these assets.

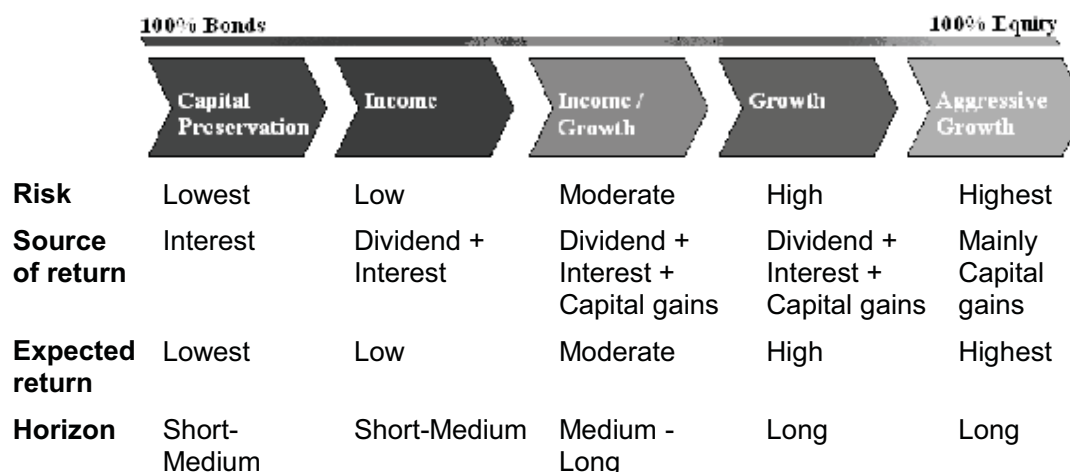
V. INVESTMENT OPPORTUNITIES

For Vietnamese individuals, open-ended funds ("OEFs") offer an instrument to manage their wealth in addition to traditional assets as bank deposits, real estate, and gold. OEFs have a number of benefits over investing in individual securities, arising from a number of characteristics including:

- *Long-term nature:* OEFs can capture the generally higher returns of equities as an asset class evidenced historically in many countries over the long-term and allow cycles of the equity market to be mitigated by the long term investments.
- *Professional management:* OEFs offer investors access to full time, professional investment managers who have the expertise, experience and resources to actively buy, sell, and monitor investments for the investors.
- *Flexibility:* Many OEFs are part of a "family of funds," so that investors can invest in several OEFs which most suit the investor's particular investment goals, but also means that investors can change to different funds as their investment objectives change, switching from one fund to another in the same family at little or no cost.
- *Affordability:* Initial investments in most OEFs are reasonable and additional subscription amounts are small.
- *Liquidity:* In case of an emergency requiring the investor to use funds from the long-term savings plan, a withdrawal of some or all of the money invested is possible, and can be made within 1 (one) week. Of course, emergencies are unexpected and the value of Units that have to be redeemed may be more or less than was originally paid for them, and the cost of liquidation may be higher than planned.
- *Diversification:* An investment in an OEF generally includes a number of non-correlated securities. For example, diversified equity fund portfolios usually hold stocks representing different companies and in different industries. Diversification can help reduce the financial risk inherent in investing. If one investment decreases in value, another investment in the portfolio may increase.

Each OEF is characterised by its risk attributes, which are defined by the securities in which it invests. In general terms, an OEF investing in Government bonds will have a lower risk profile than one investing in corporate bonds or one investing in equities as the NAV of the OEF will be determined primarily by market interest rates with low risks of sovereign default. OEFs investing in bonds will therefore be of interest to investors seeking to preserve capital and generate fixed income returns. Bond-based OEFs will differ in the proportion of (lower-yielding) government and (higher-yielding) corporate bonds, with an associated range of risk potential from default risk of the issuers. OEFs investing in equities have a higher risk profile as they are more exposed to the long-term cycles of the stock markets. However returns have historically been higher in the long-term from equities than from bonds. Stock markets are more volatile than bond markets but in most markets have historically generated greater returns. Consequently, investors with higher risk tolerance, particularly younger investors, generally are more inclined to build up their savings with equity-based OEFs. Stock-based OEFs will differ according to the risk and return potential of the shares in which they invest.

Figure 1: OEF Style Spectrum



In the medium to long term, VCBF aims to offer a full range of products providing different return/risk characteristics to meet demand of different investor classes and for the purpose of different asset allocation that investors wish to have.

Investors will have differing investment objectives, with different time-frames in that their investment objectives are to be achieved. Common long-term savings' objectives are for retirement, for tertiary education, for purchases of residential property or other fixed assets such as cars and motorcycles, or for other targets. The targets vary during the lifetimes of investors as some goals are reached and replaced by others. Investors' risk tolerance also normally evolves, with risk tolerance declining as retirement approaches. Financial advisors and wealth consultants can assist investors in defining their long-term savings plan. To make successful long-term investments into OEFs, investors must therefore examine and define their long-term savings plans and seek to choose a – or more – OEFs that are most suited to meet their own personal objectives with risks that are considered tolerable.

For corporate investors, OEFs provide an additional investment instruments for their asset allocation strategy and diversification and investment tools for corporate pension scheme.

Macro-economic Review

VCBF follows a bottom-up investment approach, by which an investment decision is made based on the analysis of risk/return profile of investment opportunities and company fundamentals. However, VCBF will provide quarterly macro-economic updates for investors. Please see the Appendix 3 for the most updated macro-economic review to the date of this Prospectus.

VI. GENERAL INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

Following are general investment objectives, policies and restrictions of VCBF-BCF. These general investment objectives, policies and restrictions shall apply for all open ended funds that are established and managed by VCBF.

1. INVESTMENT OBJECTIVE

The Fund shall invest available capital in transferable securities and other assets with the purpose of spreading investment risks and affording its investors the results of the management of its portfolio. The Fund has specific investment objectives as detailed in Section VII.

2. INVESTMENT POLICIES

The Law currently stipulates that the Fund can invest in the following assets¹:

¹ Art 15(2) of Circular 18/TT-BTC dated 16 December 2011

2.1 Fixed Income

- a. Deposits in domestic and foreign credit institutions under legal regulations;
- b. Money market instruments, foreign currencies, valuable papers, transferable instruments in accordance with legal regulations applicable to the banking sector;
- c. Government bonds, government guaranteed bonds and municipal bonds;
- d. Listed bonds of issuers that are established and operate in accordance with the law of Vietnam;
- e. Bonds of issuers that are established and operate under the law of Vietnam, for which there is evidence of the issuer that the listing of the bonds shall be completed within 12 (twelve) months from the Fund's investment date.

2.2 Equity

- a. Shares listed and registered for trading;
- b. Shares of issuers that are established and operate under the law of Vietnam, for which there is evidence of the issuer that the listing of the shares shall be completed within 12 (twelve) months from the Fund's investment date.

2.3 Derivatives

Derivatives listed, and traded on Stock Exchanges only for hedging purposes.

Investments of the Fund in unlisted bonds and shares shall need written approval of the Fund Representative Board specifying the type (code) of securities, the number and value of the transaction, the execution time and counterparties of the transaction.

3. STATUTORY INVESTMENT RESTRICTIONS

3.1 The investments of the Fund shall be diversified and fulfill conditions under the prevailing Law². Except for a Fund focusing only on bonds, the investment portfolio of Fund shall have to include the securities of at least 6 (six) issuers and also comply with the following principles:

- a. Total investments in items specified in 2.1a and 2.1.b of this section shall not exceed 49.0% (forty nine per cent) of a Fund's total asset value.
- b. The total value of investments in securities and valuable papers issued by one issuer that are from 5.0% (five per cent) of a Fund's total asset value shall not exceed 40.0% (forty per cent) of the Fund's total asset value;
- c. The total value of all securities, as specified in 2.1, 2.2 and 2.3 of the Section "Investment Policy" except for 2.1.c, issued by any one company or group of companies which are Related Companies shall not exceed 30.0% (thirty per cent) of a Fund's total asset value;
- d. The total value of all securities including valuable papers, transferable instruments, bonds, common shares, preferred shares, convertible shares issued by one single company shall not exceed 20.0% (twenty per cent) of a Fund's total asset value;
- e. The total value of securities issued by one company shall not exceed 10.0% (ten per cent) of the total value of the outstanding securities issued by that company;
- f. The total value of bonds and shares to be listed or registered for trading within 12 (twelve) months from the Fund's investment date shall not exceed 10.0% (ten per cent) of a Fund's total asset value;
- g. The total value of commitments arising from derivative transactions, outstanding loans and payables of the Fund shall not exceed the NAV; and
- h. The Fund can only place deposits with banks or invest in monetary instruments and other assets as specified in 2.1.a and 2.1.b of the Section "Investment Policy", which are approved in writing by the Fund Representative Board.

² Art 15 (4) of Circular 183 dated 16 December 2011

3.2 No Fund shall make investments in:

- a. Fund Units of investment fund or shares of securities investment companies that are set up and operate in Vietnam; or
- b. Direct holdings of real estate, precious stones, metals or commodities.

3.3 The Fund's investment structure may exceed the investment limitations given in Section 3.1.a, b, c, d, e, and f, by up to 15.0% (fifteen per cent) but only due to the following reasons:

- a. Fluctuations in market prices of the assets in the Fund's investment portfolio;
- b. Fulfillment of legitimate payments of the Fund;
- c. Execution of transaction orders of investors;
- d. Merger, consolidation and acquisition activities of issuers of securities held by the Fund;
- e. Fund is just approved for establishment, or in the process of splitting, merging or consolidating that operation period is less than 6 (six) months since the date of the registration certificate; or
- f. The Fund is under dissolution.

3.4 In case a deviation from the investment limitations occurs, VCBF shall adjust the investment portfolio to satisfy the investment limits as set out Section 3.1 of this section within 3 (three) months from the day on which the deviation arose.

In the case that the deviation arises because VCBF has not applied investment limitations as set out in the Law or Charter or Prospectus, VCBF must adjust the investment portfolio within 15 (fifteen) days from the day on which the deviation occurs.

3.5 Lending, borrowing, repurchase transactions and margin trading

- a. A Fund shall not make loans or guarantees, and shall not borrow funds except for short-term credits of up to 5.0% (five per cent) of the Fund NAV for a period not exceeding 30 (thirty) days for expenses of the Fund which are necessary for the Fund's operation which are approved by the Fund Representative Board on the recommendation of VCBF and for which the Supervisory Bank has confirmed that funds of equal amount are receivable by the Fund within the term of the borrowed funds.
- b. Assets of a Fund shall not be used for margin trading or pledged to buy securities for the Fund or for any other individuals and organizations.
- c. A Fund shall not conduct short selling transactions and securities lending.
- d. A fund is entitled to conduct repurchase transactions of Government bonds in line with applicable regulations of the Ministry of Finance.

VII. DETAILED FUND INFORMATION

1. NAME AND TYPE OF THE FUND

VCBF Blue Chip Fund, an open-ended equity fund.

2. INVESTMENT OBJECTIVE

The investment objective of the Fund is primarily to provide medium to long term capital appreciation.

3. ASSET ALLOCATION

The Blue Chip Fund will primarily invest in equities listed on the HSX or HNX with large market capitalization and good liquidity. The balance not invested in equities will be held in cash. Investments in unlisted equities are limited to stocks that have a definite listing plan of under one year and that will have a large capitalization when listed.

Figure 2: Attributes of VCBF Blue Chip Fund

Instruments	Risk Profile	% of NAV
Equities	Medium or above	Up to 100.0%
Cash	Negligible	Remaining balance

The asset allocation can vary within the ranges above depending upon VCBF's perception of the market condition and availability of investment opportunities, the intention being at all times to seek to protect the interests of the Unitholders.

Temporary investment: In accordance with the law, when market or economic conditions are considered unfavorable for investors, VCBF may invest up to 100.0% (one hundred per cent) of the Fund's assets in a temporary defensive manner by holding all or a substantial portion of its assets in cash, cash equivalents or short-term investments or fixed income with low risk provided that investment restrictions specified in VI.3 are followed. Under these circumstances, the Fund may not achieve its investment objective.

4. PRINCIPAL INVESTMENT STRATEGY AND INVESTMENT SELECTION METHODS

The Fund will primarily invest in a diversified portfolio of stocks listed on the HSX and HNX which have a large market capitalization and are liquid. Stocks with large market capitalization are considered as those with market capitalization larger than the hundredth largest stock listed on the HSX.

The Fund follows a blend of value and growth style of investing. In seeking sustainable growth characteristics, VCBF evaluates the long term market opportunity and competitive structure of an industry to target leaders and emerging leaders. In assessing value, the Manager considers whether security prices fully reflect the balance of sustainable growth opportunities relative to business and financial risks.

The Fund will follow a bottom-up approach to selecting stocks for investment, focusing on the individual attributes of a company, and choosing companies across sectors. In evaluating sector weighting in the Fund's investment portfolio, the investment manager considers, but may deviate from the relative weightings of sectors in the benchmark index.

5. AMENDMENTS OF INVESTMENT OBJECTIVE, ASSET ALLOCATION AND PRINCIPAL INVESTMENT STRATEGY

Amendments of the Fund's Investment Objective, Asset Allocation and Principal Investment Strategy as given in Sections 2, 3 and 4 above require votes of Unitholders as specified in the Article 22 of the Charter, and if approved, the Prospectus will be updated.

6. PRINCIPAL RISKS

Investors must be aware that there is a risk to lose money by investing in the Fund. Section IV outlines the risks that may occur, either individually or jointly, with an investment in the Fund. Investors must consider investments in the Fund in the context of their complete asset holdings. The Fund is not intended to provide a complete or integral investment program.

7. PORTFOLIO TURNOVER

The Fund pays transaction costs when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate will lead to higher transaction costs. The investment strategy intends, however, to invest in securities when attractively valued and hold, rather than to conduct frequent trading. The transaction costs are charged to the Fund's NAV, and affect the Fund's performance.

8. PERFORMANCE

Prior to the IPO of the Fund, there is no track record of the Fund's performance. Investors will be informed of the Fund performance with regular statements and with full reports on a semi-annual basis.

9. BENCHMARK

The Fund invests primarily in stocks with large capitalization on the HSX and HNX, for which the VN100 Index shall be the benchmark.

VIII. DIVIDEND POLICY

The distribution of profits of a Fund to Unitholders shall be proposed by the Fund Manager on the basis of audited financial statements confirming the availability of such profits for distribution and approved by the Investors General Meeting or Fund Representative Board (if authorized). The Manager must deduct all duties, fees, and charges as stipulated by the Law before distributing profits to Unitholders. The dividend shall be determined as an amount of Vietnam Dong per Unit. The profit of a Fund shall not be distributed in case that after the distribution either:

- a) the Fund has inadequate financial capacity to fulfill its tax obligations and other financial obligations as stipulated by the Law; or
- b) the NAV of the Fund is under the minimum set by Law.

Investors have an option to reinvest or receive a cash dividend:

- Dividend Payout Plan ("DPP"): Unitholders wishing to receive cash dividend need to indicate their option in the Application Form.
- Dividend Reinvestment Plan ("DRIP"): Unitholders wishing to reinvest dividend payments will receive additional units of the Fund. The number of units awarded under a DRIP will be calculated to the 2nd (second) decimal by rounding down the third decimal. The dividend due and payable to the Unitholder will be automatically reinvested at the Fund's NAV of the immediately following Trading Day. The number of Units of the Unitholder hence will increase by payable dividend divided by NAV at the Trading Day on the reinvestment date. The dividends so reinvested shall be treated as if a cash payment of dividends was made to the Unitholders and the same amount was received from each Unitholder for reinvestment in Units except that:
 - Subscription Fees will not be applied to investments made under a DRIP;
 - Redemption or switching fees will not be applied for redemptions or switching of amounts resulting from a DRIP.

The investors must clearly indicate which of the two above options, DPP or DRIP, is to be applied in the Application Form. In the absence of such instruction, the DRIP option shall be applied as the default option.

The IGM may approve dividends at any time and at any frequency (quarterly, semi-annually, annually) that it deems appropriate. There is no guarantee as to the amount, frequency, or regularity of dividend distributions. Distribution of dividend is subject to availability of distributable earnings and subject to approval by the Investors General Meeting or the FRB (if authorized).

Unitholders that are recorded in the Register on a Trading Day which is set by VCBF as a Record Date are eligible for dividend payments.

Dividends will be distributed within 30 (thirty) days from the declaration date and payments net of applicable taxes will be made to the Unitholder's registered bank account number in the Register on the dividend payment date.

Dividend payments are subject to taxes depending on the source of the income on Fund level as well as taxes applied to the Unitholder (see Section XV).

IX. INITIAL PUBLIC OFFERING DETAILS

The Fund will firstly open for public offering from 22 June 2014.

Investors are advised to consult their own advisors to ascertain if they are eligible to invest in the Fund as per the laws applicable to them and whether the fund is suitable for their risk profile.

Details of the IPO:

Figure 3: Key Terms of IPO

Number of fund units expected to be offered:	5,000,000 units
Offering period:	For a period as given in the IPO announcement.
Par value:	VND10,000 per Unit
Functional + presentation currency:	Vietnam Dong (VND)
Issue price:	Par value plus 80.0% of the applicable Subscription Fee, which is specified in the Section XII.1.1 Subscription Fee. Issue price = VND10,000 × (1 + 0.8 × Subscription Fee).

Investors wishing to invest in the Fund shall complete and submit the Application Form to Distribution Agents following the process and instruction described in the Section X.4 "Subscription of Fund Units". The payments for Fund Units shall be made to the Fund's escrow account opened at the Supervisory Bank. Details of the account will be provided by Distribution Agents and are given in Application Form. Interest of at least the demand deposit rate of the Supervisory Bank will be paid by the Supervisory Bank for the fund on escrow during the IPO period. If the IPO is successful, this interest will form part of the Fund's assets.

Upon the completion of the IPO, VCBF will apply for a Registration License from SSC if total investment of the Fund reaches at least VND50,000,000,000 (fifty billion Vietnam Dong) and there are at least 100 (one hundred) non-professional investors in the Fund. On receipt of the Registration License, the Supervising Bank will release the escrow account of that Fund which can then begin investments. The first Trading Day for Units is expected to be within 30 (thirty) days from the date on which the Fund's establishment registration certificate becomes effective. The first trading date will be published on VCBF's website, www.vcbf.com.

Unitholders shall receive confirmation of their investment in the Fund within 05 (five) days from the date on which the Fund obtained its Establishment Registration License from the SSC.

If the Fund fails to raise at least VND50,000,000,000 (fifty billion Vietnam Dong) or has less than 100 (one hundred) non-professional investors by the end of the IPO period and extended period (if any), the SSC shall not grant the Fund an establishment registration certificate under the current regulations. In this case, all cash received from investors in the IPO period will be refunded to the investors' registered account with incurred interest, if any, within 15 (fifteen days) after the end of the IPO period. In this case, VCBF is responsible for all costs arising from the IPO.

There is no cap on the size of the IPO issuance, hence investors will be allocated Fund's Units equaling to what they have subscribed for if total mobilization in the IPO is higher than VND50,000,000,000 (fifty billion Vietnam Dong).

X. ON-GOING OFFERING DETAILS

Fund Units are available for subscription and redemption on an on-going basis from the first Trading Day onward.

Investors are advised to consult their own advisors to ascertain if they are eligible to invest in the Fund as per the laws applicable to them and whether the Fund is suitable for their risk profile.

1. TRADING DAY

Fund Units may be subscribed or redeemed or switched or transferred on every Wednesday that is a Business Day ("Trading Day" or "T"). Should a Wednesday not be a Business Day, the Trading Day will be the subsequent Business Day, unless this day is a Tuesday, in which case it is Wednesday of that week.

Accepted Orders received before the cut-off times are executed at NAV at the Trading Day.

Changes of the Trading Day due to holidays will be advised to Official Transaction Acceptance Points in advance and publicised on VCBF's website, www.vcbf.com. A change of the Trading Day or the frequency of the Trading Days may be made by VCBF if necessary in which case the change will be publicised in this Prospectus.

2. CUT-OFF TIMES

The cut-off time for the receipt to allow processing and acceptance of all documents for subscription, redemption, switching and transfer orders for execution at the Trading Day and for payments for subscription orders is given in Figure 4 below:

Figure 4: Cut-Off Times for Trading Day 'T'

	Cut-Off times:	
	Payment ¹⁾	Documentation ²⁾
Subscriptions	10.30 a.m. T-1	10.30 a.m. T-1
Redemptions, Switching, Transfers, Cancellation	n.a.	10.30 a.m. T-1
1) Fund to be received by close-of-business of T-1 on the account of the Fund with the Supervisory Bank. 2) Cut-off time applicable to submitting completed documentation with the Distribution Agent.		

The cut-off time shall be recorded at Official Transaction Acceptance Points, subject however to the Transfer Agent receiving the uploaded copies of the applications by 11.00 (eleven) a.m. on the first Business Day prior to T ("T-1"). All applications will be processed based on the date and time of their receipt at Official Transaction Acceptance Point, as evidenced by the date/time record at that point. For valid applications received up to 10.30 (ten thirty) a.m. on T-1 by the Distribution Agents and up to 11.00 (eleven) a.m. by the Transfer Agent, the NAV at the Trading Day T shall be applied.

3. LATE TRADING AND MARKET TIMING

3.1 Late Trading

The acceptance of orders received after the cut-off time for a Trading Day for execution at NAV of that Trading Day is not permitted. Orders received after the cut-off time will be executed at NAV of the subsequent Trading Day, except for the case investors want to cancel the orders.

3.2 Market Timing

Units of the Fund are not offered, nor is the Fund managed or intended to serve, as a vehicle for frequent trading that seeks to take advantage of short-term fluctuations in the securities market. This type of trading activity is often referred to as “market timing” and can result in actual or potential harm to the Unitholders. Accordingly, investors will need to pay redemption fee of 3.0% (three per cent) /NAV if they sell Fund Units within 1 (one) month since the date of subscription as specified in the Section XII.1.2

4. SUBSCRIPTION OF FUND UNITS

4.1 Application Forms

First-time investors need to complete the Application Form to buy Fund Units which is available from authorized Distribution Agents or Official Transaction Acceptance Points and on the VCBF’s website, www.vcbf.com. The Application Form must be accompanied by verified copies of documents specified in the Application Form for each individual/institution or beneficial owners or authorized persons. All Application Forms must be duly signed.

Investors are recommended to keep a copy of their completed Application Form and to keep all the data submitted in their Application Form up to date. This information is recorded in the Fund Register and should at all times have the current residential address, the email address, the tax residency, and bank account details of each Unitholder so that all notices, reports and payments relating to the Fund can be administered.

Investors making subsequent subscriptions need to complete the Subscription Order form which is attached to the Application Form or is available from any office of an Official Transaction Accepted Point and on the VCBF’s website, www.vcbf.com.

Investors may, if they wish, submit orders of Fund Units to more than one Distribution Agents. In this case, however, investors must submit the Application Form and all supporting documents as required to open a new account with each different Distribution Agent they transact with, and these accounts are maintained independently from other Unit holdings maintained by other Distribution Agents for the same investor. Consequently, the minimum Subscription Order as well as minimum account balance is applied for each account with each Distribution Agent. Forms of Redemption Orders, Switching, Transfer, Cancellation or changes of account information of an account at one Distribution Agent can only be submitted at any Official Transaction Acceptance Point of that Distribution Agent which opened the account.

References to any Official Transaction Acceptance Points in following sections thus, refer to any Official Transaction Acceptance Point of that specific Distribution Agent with which the investor has an account and wishes to make a transaction.

4.2 Processing of Applications

The completed Application Form or Subscription Order form and the required verified documents can be submitted on a working day at any Official Transaction Accepted Point. A List of Official Transaction Acceptance Points is provided at the end of this Prospectus.

The Distribution Agents will transmit application documents to the Transfer Agent, who will process the applications on behalf of the Manager. Any incomplete documents will be rejected, and may lead to a delay on the completion of the application process. In some cases, it may be necessary to obtain additional documentation from applicants which can also lead to a delay in the completion of the application process. The Manager reserves the right to reject an application in case a resolution of any issues in an application is not possible.

Investors are required to pay the subscription amount with their banker to the Fund account so that the Supervisory Bank receives payment in time for the Transfer Agent to execute the application. The payment must be made from the investor’s own account. All investments in Fund Units are denominated in Vietnam Dong.

4.3 Compliance

The Application Form to subscribe for Fund Units is designed to meet the requirements placed on Fund Managers to comply with KYC and AML regulations. It is critical that all documents and all responses in the Application Form are completed fully and truthfully.

Under the Vietnamese law, it is mandatory for all investors to provide documents and any further supporting information in compliance KYC regulations and with AML legislation. Additional information and declarations by non-Vietnamese investors may also be required in order to comply with international regulations. Applications without the required documents or information may lead to a rejection of the application.

Investors should ensure that the amount invested is from legitimate sources only and does not arise from the evasion of any law or regulation or violate the provisions of applicable income tax law, AML regulations, anti-corruption and bribery acts and or any other applicable laws enacted by the Vietnamese Government or the investor's government of domicile from time to time.

Investors who are resident outside Vietnam and wish to buy Fund Units should also ensure that they comply with the applicable laws and regulations in their domicile country. Investors are responsible for compliance with tax, currency exchange or other regulations applicable to redemption and purchase transactions.

Under the Vietnamese regulations, foreign investors will need to open an investment account in Vietnam Dong with a custodian bank in Vietnam as well as obtain the Vietnamese trading code and/or fulfill other market requirements in accordance to prevailing Law before subscription of Fund Units. All investment transactions, receipt of dividend and the purchase of foreign currency for repatriation of investment and other related activities must be conducted through this account. Investors should consult appropriate tax and legal advisors to obtain information which is applicable to their transactions.

4.4 Acceptance of Applications

VCBF will retain absolute discretion to accept or reject any application for Fund Units in accordance with the provisions of the Charter, the Prospectus and with the requirements of the applicable KYC and AML regulations and shall be under no obligation to provide reasons to a rejected investor. Accepted Subscription Orders shall be executed at the Trading Day.

In the event that an application for Units is rejected by VCBF, the application monies will be refunded (without interest) to the investor within 5 (five) working days from the date on which VCBF has notified the Transfer Agent of the rejection. Units will only be allocated to an investor's or omnibus Distribution Agent's account when the receipt of the subscription amount from the investor on the Fund's account has been confirmed by the Supervisory Bank.

Every successful applicant will be sent a confirmation of the investor's or omnibus Distribution Agent's purchase within 3 (three) working days from the Trading Day of issuance of such Units. The number of units will be calculated to the 2nd (second) decimal by rounding down the 3rd (third) decimal. Fractional units will not affect investors' ability to redeem Units.

4.5 Suspension of Subscription Orders

Investors should be aware that the execution of Subscription Orders can, in certain conditions, be suspended from execution with all other orders. These conditions are outlined in Section X.8 below.

In cases in which transactions in Fund Units are suspended, Accepted Subscription Orders will be executed at the first Trading Day after trading is resumed.

4.6 Minimum Investments

Figure 5: Minimum Investment Amounts

	<u>VND</u>
Initial investment	5.0 million
Additional investments	1.0 million

There is no limitation on maximum amount an investor can invest. VCBF reserves the right to the change the limits from time to time. Any changes of the limits will be announced.

4.7 Subscription Fee

Units will be sold at NAV at the Trading Day per Unit of the Fund plus the applicable Subscription Fee for the investment amount received by the Fund. The schedule of Subscription Fees is given in Section XII.1.1.

In accordance with the law and the charter of the fund, the Subscription Fees for Fund Units may be changed by VCBF. Any changes of the fees will be publicised in a revision of this Prospectus.

5. REDEMPTION OF FUND UNITS

5.1 Redemption Order Forms

Unitholders may have Fund Units redeemed on any Trading Day “T” by submitting a completed Redemption Order to an Official Transaction Accepted Point before the cut-off time for the next Trading Day. A Redemption Order form is attached to the Application Form or is available from any office of an Official Transaction Accepted Point and on the VCBF’s website, www.vcbf.com. All Redemption Orders must be duly signed.

5.2 Processing of Redemption Orders

The Unitholder may request in the Redemption Order that a certain amount of cash is paid to the Unitholder or that a certain number of Units is redeemed. If the request is specified as an amount of cash, the number of Units redeemed will be the amount redeemed divided by the Net Redemption Price after tax, if any. If the request is to redeem a number of Units, then that number of Units will be redeemed.

If a Redemption Order is, however, for both a specified amount in cash and a specified number of Units, the number of Units will be considered the definitive request.

The Transfer Agent will process all Redemption Orders received before the cut-off time for the next Trading Day, and ensure that the orders are complete and consistent, and that sufficient Units are held by the Unitholders to make the requested redemptions. Units are redeemed on a first-in first-out basis. If a Redemption Order exceeds the number or value of Units held on the account then the account will be closed by redeeming the available Units and the net redemption payment will be transferred to the Unitholders’ bank account.

Accepted Redemption Orders not impeded by conditions requiring partial execution as set in Section X.5.4 below will be processed at NAV at the Trading Day minus Redemption Fee and taxes, if any, based on the time and date of their receipt at Official Transaction Accepted Point, as evidenced by the date/time record of the Official Transaction Accepted Point.

After execution of Accepted Redemption Orders, the number of Units redeemed will be subtracted from the Unitholder’s account and a statement of the new holding will be issued to the Unitholder.

5.3 Minimum Redemption Orders and minimum Account Balances

Minimum amount for Redemption Orders is 100 (one hundred) Units if the order is made out in

Units or VND1,000,000 (one million Vietnam Dong) for orders made out in cash, unless the order is to reduce the holding on the account to 0 (zero) Units and to close the account.

The Unitholders' account is liable to be closed whenever, due to redemptions, the balance of the account falls below 100 (one hundred) Units. In the case a Redemption Order is received from a Unitholder that would result in a lower number of Units held than the minimum amount of 100 (one hundred) Units, the Redemption Order shall be executed for the total number of Units held so that the new account balance shall be 0 (zero) Units.

VCBF reserves the right to change these minimum redemption and account balance limits from time to time.

5.4 Partial Execution or Suspension of Redemption Orders

Unitholders should be aware that there are a number of instances in which Redemption Orders cannot be fully executed or cases where Redemption Orders are suspended.

- **Partial Execution of Redemption Orders**

Under the following circumstances, the Fund shall be able to satisfy only a part of a Unitholder's Redemption or Switching Order:

1. The total value of all Accepted Redemption Orders (including redemptions through Switching Orders) minus the total value of all Accepted Subscription Orders (including subscriptions through Switching Orders) on a Trading Day exceeds 10.0% (ten per cent) of NAV at the Trading Day of that Fund; or
2. The implementation of all of the Unitholder's trading orders on a Trading Day leads to NAV at the Trading Day of the Fund being lower than VND50,000,000,000 (fifty billion Vietnam Dong)

In these cases, the partial execution of the Redemption and Switching Orders shall be made on a pro-rata basis. The remaining part of partially executed Orders shall then be cancelled.

In cases in which Redemption Orders can only be partially executed, the minima required for Redemption Orders and for Account Balances shall not apply.

- **Suspension of Redemption Orders**

Unitholders should be aware that the execution of Redemption Orders can, in certain conditions, be suspended from execution with all other orders. These conditions are outlined in Section X.9 below.

In cases in which transactions in Fund Units are suspended, Redemption Orders that have been received will be redeemed at NAV at the Trading Day plus the redemption charge and taxes, if any, at the first Trading Day after the resumption of trading.

5.5 Redemption Fee

The Redemption Fee shall be charged as a percentage of NAV at the Trading Day per Unit and will be deducted from NAV at the Trading Day to calculate redemption price. Deductions of any securities transaction tax, if applicable, will be made from the gross amount of the redemption.

Redemption Price per Unit = NAV at the Trading Day per Unit x (1 - Redemption Fee per Unit)

The schedule of Redemption Fees is given in Section XII.1.2.

The net redemption proceeds shall be paid within 5 (five) working days after the Trading Day. Any bank charges incurred in the payment of redemption proceeds to the Unitholder's account will be deducted from redemption proceeds

Redemption proceeds will be paid by bank transfer and will be made in favor of the Unitholder's registered name and to his/her bank account number as recorded in the Register. Unitholders will need to ensure that their account details in the Register are correct to avoid delays or non- receipt of payment.

In accordance with the law and charter of the fund. The Redemption Fees for Fund Units may be changed by VCBF. VCBF may amend the fee structure to include either redemption gates, swing pricing or dilution levies, as outlined in Section IV.10. Any changes of the fees in this Prospectus will be publicized in a revision of this Prospectus.

6. SWITCHING OF FUND UNITS

6.1 Switching Order Forms

Unitholders of the Fund Units may switch to other Fund managed by VCBF by completing a Switch Order. A Switching Order form is attached to the Application Form or is available from any office of an Official Transaction Accepted Point and on the VCBF's website, www.vcbf.com. For a Switching Order, the proceeds net of fees and taxes, if any, of the redemption of Units of one Fund are used to purchase Units of a different Fund.

6.2 Processing of Switching Orders

Switching Orders are processed by the Transfer Agent as a switching-out order and a switching-in order to be executed on the same Trading Day.

The Switching Order can request that a certain amount of cash is redeemed or that a certain number of Units is redeemed from one Fund to switch to a new Fund.

6.3 Minimum Amount for Switching Orders

The minimum amount set for a Switching Order is 100 (one hundred) Units for orders made out in Units or VND1,000,000 (one million Vietnam Dong) for orders made out in cash for the switched-out Fund. A smaller amount is accepted in case a smaller balance is switched and the balance of a Unitholder's Fund Account for the redeemed Fund is reduced to a nil balance. The minimum account balance of 100 (one hundred) Units applies to the switch-in Fund account resulting from switching. Distribution Agents are advised to ensure that Switching Orders meet the minimum account balance for the switch-in Fund of 100 (one hundred) Units. The Unitholders' account is liable to be closed if the account balance is below 100 (one hundred) Units for the switched-out Fund.

6.4 Partial Execution of Switching Orders

Unitholders should be aware that Switching Orders may only be executed partially in case the redemption contained in the Switching Order can only be partially executed. Section X.5.4 provides details of when these redemptions may only be partially executed. The remaining part of a partially executed Switching Order shall be cancelled.

6.5 Suspension of Switching Orders

Unitholders should be aware that the execution of Switching Orders can, in certain conditions, be suspended from execution with all other orders. These conditions are outlined in Section X.8 below.

In cases in which transactions in Fund Units are suspended, Switching Orders that have been received will be executed at NAV at the Trading Days less transaction taxes and Switching Fees, if any, at the next Trading Day when trading is resumed.

6.6 Switching Fee

A Switching Fee is charged only in case the Subscription Fee of the new Fund is higher than the Subscription Fee of the Fund being redeemed at the time of the Switching Order. In all other cases, a Switching Fee is waived.

No Redemption Fees are charged on the redemption order contained in the Switching Order. Transaction taxes, if any, will be deducted from the amount redeemed under a Switching Order. The holding period of the newly subscribed Fund Units will be the date on which the Switching Order is executed.

7. TRANSFERRING OF FUND UNITS

7.1 Transfer Application Forms

Fund Units may be transferred as gifts or inheritance or judgment or by court order from one Unitholder to another investor. Transfer order can only be made in number of Units, including fractions of Units. The transferor needs to complete the Transfer Application Form provided that the transfer amount is equal or higher than the minimum investment amount required for opening an account, subject always to fulfillment of the compliance conditions set forth in Section X. 7.3 below if the transferee is not an existing Unitholder of the Fund.

7.2 Processing of Transfer Application Forms

A Unitholder making a transfer, or in case of inheritance, the new beneficial owner(s), may submit a Transfer Application form at any Official Transaction Accepted Point. A Transfer Order form is attached to the Application Form or is available from any office of an Official Transaction Accepted Point and on the VCBF's website, www.vcbf.com. The same additional documentation as required for an initial Subscription if the new account owner(s) is (are) not already Unitholder(s) in any Fund and, in the case of inheritance, such documentation evidencing the right of ownership must also be submitted.

7.3 Compliance

In compliance to KYC and AML regulations, the new account owner(s) resulting from a transfer are subject to the same procedures as applied for a new account opening as detailed in Section X.4.3.

7.4 Acceptance of Transfer Application Forms

Accepted Transfer Orders will be executed by the Transfer Agent at the next Trading Day 'T'.

7.5 Transfer Fee

A flat Transfer Fee of VND300,000 (three hundred thousand Vietnam Dong) is payable by the transferor.

8. ORDER CANCELLATION

Investors wishing to cancel their transaction orders can complete and submit a Cancellation Order at any Official Transaction Acceptance Points of their Distribution Agents before the Cut-off Time that is applicable for such orders.

9. SUSPENSION OF EXECUTION OF FUND TRANSACTION ORDERS

Investors must be aware that all transaction orders – subscriptions, redemptions, switching and transfers – in Fund Units may be suspended for one or more Trading Days due to circumstances outside of the control of VCBF. All Official Transaction Acceptance Points will be accordingly notified of any transaction suspensions, and a notice will also be posted on VCBF's website, www.vcbf.com.

Transactions in Fund Units may be suspended in case of one of the following events:

- i. Force majeure conditions;
- ii. It is impossible to determine the NAV of the Fund for the Trading Day due to a suspension of trading in assets held by the Fund by the relevant securities exchange or due to a suspension of exchanges; or
- iii. Other cases as prescribed by the State Securities Commission.

Right after these events end, the trading will be resumed in the following Trading Day. By Law, the duration for suspension of execution of subscription and redemption orders shall not exceed 90 (ninety) days from the last Trading Day. In case trading cannot be resumed within the maximum suspension period, VCBF shall organize an Investors General Meeting to consult Unitholders on the dissolution, or segregation of the Fund or the extension of the suspension duration within maximum period of 30 (thirty) days from the end of suspension period.

10. SYSTEMATIC INVESTMENT PLAN

A SIP is a savings program and allows investors to save a fixed amount of money regularly – either every month or every quarter – by purchasing additional Units of the Fund. In many countries SIPs have proven to be beneficial for open-ended fund investors from the arising “Cost Averaging” of their investments. Cost Averaging generally keeps the average cost per Unit lower than the average Unit price, and the actual number of (more expensive) Units purchased diminishes under rising market prices. While the average cost per Unit may be above the Unit price when the market declines, it also falls as more (cheaper) Units are purchased and thus leads to greater profit potential once the market recovers.

10.1 Average costing of a SIP

Figure 6 below illustrates with hypothetical figures how a SIP can benefit an investor (though for simplicity, subscription and redemption fees are not included). For the purposes of this example, assume Mr. ABC would like to invest VND1,000,000 (one million Vietnam Dong) as a quarterly investment for a period of four quarters, i.e. make a total investment of VND4,000,000 (four million Vietnam Dong).

By investing fixed amounts at regular installments, the average cost per Unit of Mr. ABC's holding is VND11,715 (eleven thousand seven hundred and fifteen Vietnam Dong) against the Unit NAV of VND13,000 (thirteen thousand Vietnam Dong) at the fourth quarter. As it can be seen from the example below, Mr. ABC's average cost per Unit is lower than the average Unit price, which would be his average cost had he invested in a fixed number of Units every quarter.

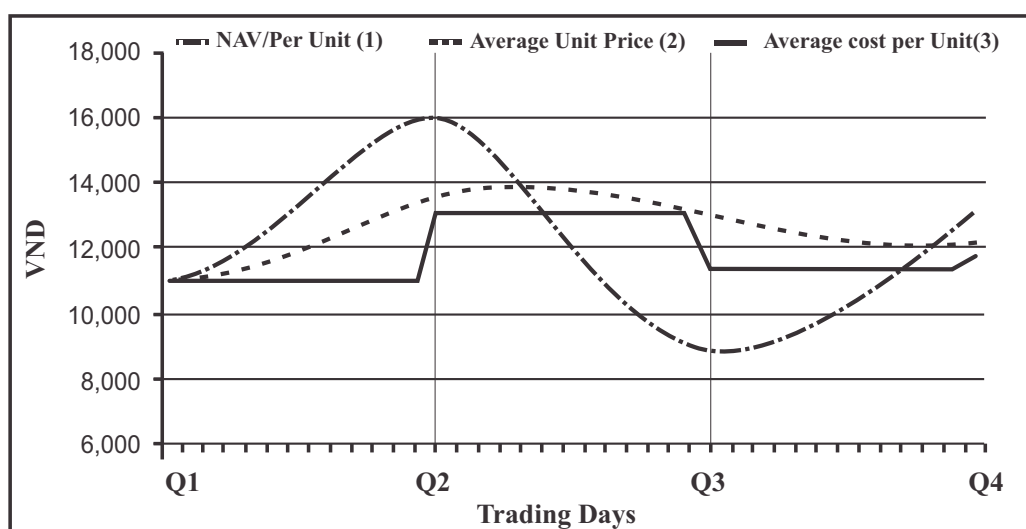
Figure 6: Example SIP investments for hypothetical Fund NAVs

Quarter	Amount invested	Offering price	No. of units purchased
1	1,000,000	11,000	90.90
2	1,000,000	16,000	62.50
3	1,000,000	9,000	111.11
4	1,000,000	13,000	76.92
Total	4,000,000		341.44

Average Unit price per quarter = $(11,000 + 16,000 + 9,000 + 13,000) / 4 = 12,250.00$
Average cost per unit = $4,000,000 / 341.44 = 11,714.97$

The example shows the benefit of a SIP with regular fixed payments. As the chart beneath shows with the same hypothetical figures, over a cycle of market fluctuations the average cost per Unit with a regular fixed investment amount is lower than the average Unit price if a fixed amount of units are purchased at the same intervals, irrespective of market fluctuation. This is because more units are purchased during the price is low and fewer units are purchased when the price is high. Hence, this investor automatically benefits without having to monitor prices (NAV) on a day-to-day basis.

Figure 7: Development of SIP investment for hypothetical Fund NAVs



Notes:

- 1) NAV at the Trading Day per Unit on each Trading Day
- 2) Average Unit price if fixed number of Units bought on each Trading Day
- 3) Average cost per Unit if fixed amount of money invested at NAV at the Trading Day on first Trading Day of each quarter

The key to achieving this benefit is that more Units are bought at low prices, which reduces the average cost. In Mr. ABC's case, his average cost per Unit before the investment in the third Quarter, Q3, was VND13,037 (thirteen thousand and thirty seven Vietnam Dong) per Unit, and although the Units were valued at VND9,000 (nine thousand Vietnam Dong) (and his position was thus showing significant losses), the investment was made bringing his average cost per Unit down to VND11,341 (eleven thousand three hundred and forty one Vietnam Dong). By making this investment, Mr. ABC's total investment was profitable at the end of the fourth quarter, Q4, after the rebound of the NAV per Unit, which would otherwise not have been the case.

However, investors should note that the NAV per Unit of a Fund fluctuates. Before undertaking any plan for a SIP, investors must keep in mind that this program does not assure a profit or protect against loss.

10.2 Using automated or standing orders to support a SIP

Investors opting to make a SIP can invest a fixed amount either at monthly or quarterly intervals. The Distribution Agent will be able to assist the investor in devising a suitable SIP and payment frequency. A SIP enables a disciplined savings plan to be fulfilled. Over the first 12 (twelve) months of a SIP, Unitholders may not change either the amount or the regularity of SIP payments (see Section 10.4 below) and the SIP instructions with their bankers and Distribution Agents should not be changed.

Many banks in Vietnam offer services for individual and corporate customers that can support investors making a SIP. Vietcombank, the majority owner of VCBF, provides these services in its online E-Banking services as well as through its wide Branch and Transaction Office network. Standing instructions to the investors' bankers can enable a SIP to be completed with the amount and with the frequency set so that investments for a SIP are made without the need to submit further bank instructions.

The SIP Bank Instruction Form needs to be submitted to the investor's banker.

10.3 Minimum investment amounts for SIP

The minimum amounts applicable to initial and ongoing subscription amounts also apply to SIPs. For a new investor that is opening an account, the initial investment of VND5,000,000 (five million

Vietnam Dong) must be made with the Application Form and does not constitute the first payment of a SIP. For the subsequent monthly or quarterly subscriptions made under a SIP, the minimum amount is VND1,000,000 (one million Vietnam Dong).

SIPs are to have a minimum duration of 1 (one) year and can be continued indefinitely.. Redemptions of Units are made on a first-in first-out basis, so that the initial Units purchased under the initial Application Form are the first to be redeemed, followed by those purchased at the earliest following date, regardless of whether the purchases were made under one or more SIP holders

10.4 Payment Days and Cut-off Times for SIP investments

SIP date shall be the 10th (tenth) day of every month or quarter. Investors need to pay the SIP amount or to give their bankers according standing SIP payment instructions, so that the Supervising Bank receives the payments on or before the close-of-business on the tenth day of every month (for monthly SIPs) and on the tenth day of January, April, July, and October (for quarterly SIPs). The Supervising Bank will allocate Units for investments made under SIPs at the next Trading Day after confirming the receipt of the SIP payment.

10.5 Discount on Subscriptions under a SIP

A discount of 20.0% (twenty per cent) of the Subscription Fee will be made to investors that agree to make a SIP for 12 (twelve) consecutive months applying to SIPs paid on a monthly or quarterly basis. If the SIP is terminated or discontinued or the investment amount changed or switched to a different fund within the 12 (twelve) month period since the inception of the SIP, an exit fee of 0.4% (zero point four per cent) / NAV will be charged when a redemption is made in addition to the redemption fee, and on further redemptions for all Units purchased with a discount under the SIP program.

There will be no exit fee to recover discounts of subscription fees for SIPs that are discontinued at any time after the committed 12 (twelve) month period.

For illustrative purposes, if an investor has a SIP with monthly contributions of VND2,000,000 (two million Vietnam Dong) per month to a Fund, but after 6 (six) months discontinues the SIP and redeems 50.0% (fifty per cent) of the invested amount at that time, the calculation of the exit fee is calculated as in Figure 8. For simplicity, it is assumed that the NAV of the Fund remains unchanged, and taxes, if any, are not deducted.

Figure 8: Example of discounts of Subscription Fee under a SIP

Items	Unit	Amount
SIP subscription amount after 6 months:	VND	$2,000,000 \times 6 = 12,000,000$
SIP Subscription Fee:	%	$2.0\% \times (1 - 20.0\%) = 1.6\%$
Total SIP Subscription Fee paid over 6 months:	VND	$= 12,000,000 \times 1.6\% = 192,000$
Amount of discount awarded for 6 months	VND	$= 12,000,000 \times 0.4\% = 48,000$
Redemption and Exit Fee calculation:		
50.0% Redemption after 6 months of SIP:	VND	6,000,000
Redemption Fee due:	VND	$1.0\% \times 6,000,000 = 60,000$
SIP Exit Fee of 0.4%:	VND	$0.4\% \times 6,000,000 = 24,000$
Total Redemption and SIP Exit Fees:	VND	$60,000 + 24,000 = 84,000$
Total Redemption and SIP Exit Fees in percent of redeemed amount:	%	$84,000 / 6,000,000 = 1.40\%$

10.6 Termination of SIP and charge of Exit Fee

A SIP Agreement is considered terminated in case:

- i) The Unitholder cancels or terminates the SIP Agreement;
- ii) A payment under the SIP Agreement is not received on the fund's bank account by the cut-off time for SIP as specified in section 10.4 above;
- iii) The fund into which payments are invested under the SIP agreement is changed and the ongoing payments are switched to a different fund.

The exit fee of 0.4% will be charged at the time of the redemption of units purchased under the SIP agreement in any of the three cases above if this termination occurs within 12 months from the commencement date of the SIP agreement.

The exit fee of 0.4% is also charged in case:

- iv) A redemption of units purchased under the SIP or
- v) A switch of units purchased under the SIP is made to a different fund of the Manager.

If either of these events occur within 12 months from the commencement date of the SIP agreement. The exit fee is charged on the NAV of the units redeemed or switched out.

XI. VALUATION OF ASSETS

1. COMPUTING OF NET ASSET VALUE

The NAV per Unit is the Fund's NAV divided by number of Units outstanding on the Business Day prior to the Valuation Day.

The NAV is the total market value of the assets held by a Fund minus its liabilities and is computed on the Business Day prior to the Valuation Day.

NAV per Unit	=	<u>(Market Value of All Assets Held by Fund - Fund Liabilities)</u> Total Number of Fund Units Outstanding
-------------------------	----------	---

The NAV will be computed for every Trading Day of the Fund as defined in Section X.1 of this Prospectus, and will be calculated to 2 (two) decimals by rounding down the third decimal.

The following example shows how the NAV of a Fund will be calculated on a particular Valuation Day T under the assumptions given:

Figure 9: Example calculation of a Fund's NAV

Items	Unit	Amount
Market Value of All Securities on T-1	VND	80,000,000,000.00
Cash and Equivalent on T-1	VND	6,000,000,000.00
Other assets on T-1	VND	2,000,000,000.00
Liabilities of the Fund on T-1	VND	10,000,000,000.00
Number of Units Outstanding on T-1	Unit	7,000,000.00
Total Assets on T-1		88,000,000,000.00
Less Fund Liabilities on T-1		10,000,000,000.00
NAV of the Fund on the Valuation Day T	=	78,000,000,000.00
NAV per Unit:	=	78,000,000,000 / 7,000,000
		= 11,142.85 VND per Unit

The Fund's NAV and the NAV per Fund Unit must be confirmed by the Supervisory Bank and published on the website of VCBF, www.vcbf.com, and on other sites or media as required by the Law within 2 (two) working days from the Valuation Day subject to these websites being functional and operational. The Supervisory Bank shall notify VCBF in writing of any incorrect NAV calculations at the latest on the following working day after discovery.

2. VALUATION DAYS

Valuation Days are days on which the NAV of a Fund is calculated, which include all Trading Days (currently every Wednesday) and those days on which the NAV of a Fund is calculated for reporting (weekly, monthly, quarterly and annually) or other purposes.

3. VALUATION OF ASSETS

3.1 Asset Value

Valuation of the Fund's assets, including rights, and calculation of the Fund's NAV will be subject to such rules or regulations that may be prescribed from time to time as regulated in the Charter and shall be subject to audit on an annual basis. The accounting policies shall conform to the relevant provisions of the law. Valuation policy of the Fund is specified in the Valuation Guideline, which will be approved by the Fund Representative Boards and Supervising Bank and comprises of following key points:

A- Asset Value

No.	Type of asset	Principles on the market's transaction valuation
Cash and cash equivalents, money market instruments		
1	Cash (VND)	Cash balance on date before the Valuation Day
2	Foreign currency	The value is convertible into VND at the end of the day prior to the Valuation Day based on the mid-rate obtained from Vietcombank
3	Term deposit	Principal amount plus accumulated interest as of the date prior to the Valuation Day
4	Treasury bills, bank drafts, commercial papers, transferable deposit certificates, and discounted money market instruments	+ Purchase price plus accumulated interest / amortization as of the date prior to the Valuation Day; or + Price determined by other methods which are approved by the Fund Representative Board
Bonds		
5	Listed Bond	- Average listed price on the transaction system at the Stock Exchange on date having latest transactions prior to Valuation Day plus accumulated interest; - In case of no transaction in more than 2 (two) weeks since the last Valuation Day, it shall be one of following prices: + Clean price computation from Thompson Reuters plus accumulated interest to the date prior to Valuation Day; or + Price determined by Discount Cash flow; or + Purchase price plus accumulated interest; or + Face value plus accumulated interest; or + Price determined by other methods which are approved by the Fund Representative Board For the Government-backed bonds, the price will be determined by Discount

		Cash Flow method
6	Unlisted Bonds	<ul style="list-style-type: none"> - Quoted clean price (if any) on quotation systems plus coupon interest until the date prior to Valuation Day; or + Average value of at least 3 brokerage quotations which not being the relevant person on the latest transaction date prior to Valuation Day + Discount Cash Flow method; or + Purchase price plus accumulated interest; or + Face value plus accumulated interest; or + Price determined by other methods which are approved by the Fund Representative Board.
7	Extraordinary price changed bond	<p>In normal condition, listed bond will be valued according to point 5 above.</p> <p>In case of fluctuation in the bond price more than $\pm 10.0\%$ in comparison with the Reuter price, this fluctuation is considered as the extraordinary price changed bond, the preferred valuation method will be in the following orders:</p> <ul style="list-style-type: none"> • Clean price computation from Thompson Reuters plus accumulated interest to the date prior to Valuation Date; or • Price determined by Discount Cash flow method; or • Purchase price plus accumulated interest; or • Face value plus accumulated interest; or • Price determined by the method which was approved by the Fund Representative Board
Shares		
8	Shares listed on Ho Chi Minh City Stock Exchange and Hanoi Stock Exchange	<ul style="list-style-type: none"> - Closed price on date having latest transaction prior to Valuation Day; - In case of no transaction in more than 2 (two) weeks until Valuation Day (including the situation when shares are suspended to transact, or cancelled listing or transaction registration), it shall be one of following prices: <ul style="list-style-type: none"> + A fair value which is derived from using Public Comparable Peer Multiples Approach; or + Purchase price; or + Book value; or + Price determined by other methods which are approved by the Fund Representative Board
9	Shares of public companies are registered for trading on the UpCom system	<ul style="list-style-type: none"> - Average transaction price of date having latest transaction prior to Valuation Day; - In case of no transaction in more than 2 (two) weeks since the last Valuation Day, it shall be one of following prices: <ul style="list-style-type: none"> + A fair value which is derived from using Public Comparable Peer Multiples Approach; or + Purchase price; or + Book value; or + Price determined by other methods which are approved by the Fund Representative Board
10	Shares which was registered and deposited but not to be listed and registered for trading	<ul style="list-style-type: none"> - Average value of at least 3 (three) brokerage quotations (average price of transactions) which not being the relevant person on the latest transaction date prior to Valuation Day. - In case of no full quotation of at least 3 (three) brokerage quotations, it shall be one of following prices: <ul style="list-style-type: none"> + Average price; or + Price of latest reporting period but not more than 3 (three) months until Valuation Day; or + A fair value which is derived from using Public Comparable Peer Multiples Approach; or

		+ Purchase price; or + Book value; or + Price determined by other methods which are approved by the Fund Representative Board
11	Shares of organizations falling into winding-up or bankruptcy	It shall be one of following prices: - 80% (eighty per cent) of liquidating value of such shares on latest date of preparing balance sheet prior to Valuation Day; or + Price determined by other methods which are approved by the Fund Representative Board
12	Stocks, other contributed capital	It shall be one of following prices: + A fair value which is derived from using Public Comparable Peer Multiples Approach; or + Purchase price/contributed capital value; or + Book value; or + Price determined by other methods which are approved by the Fund Representative Board
13	Right issue to buy share	Value of rights = $\text{Max}\{0; (\text{price of underlying share} - \text{issuing price}) * \text{conversion ratio}\}$
Derivative securities		
14	Listed derivative securities	Closed price on latest previous transaction date prior to Valuation Day
15	Listed derivative securities without transaction within two weeks or more	Price determined by the method which was approved by the Fund Representative Board and specified in Valuation Guideline.
Other assets		
16	Other permitted investment assets	Price determined by the method which was approved by the Fund Representative Board and specified in Valuation Guideline.

NOTE:

- *Methods listed above for each type of assets shall be used in priority order.*
- *Detailed guideline of Discounted Cash flows and Public Comparable Peer Multiples Approach are provided in Valuation Guideline.*
- *Accumulated interest is the interest which is calculated from the latest time for paying interest to the time prior to Valuation Day;*
- *Book value of a share is determined on basis of audited and viewed latest financial statement.*
- *Valuation entities are permitted to select share quotation system (Reuters/Bloomberg/VNBF, etc.) for reference;*

B - Commitment value from derivative contracts:

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

- Other principles according to the international practice ensure the risk administration.

No.	Type of assets	Commitment value
1	Stock option (purchase of put option, sale of put option, sale of call option)	The market value of option position ¹ is adjusted by delta coefficient of option = Number of contracts x Volume of shares per contract x current market value of share x delta coefficient ²
2	Bond option (purchase of put option, sale of put option, sale of call option)	Market value of option position ³ is adjusted by delta coefficient of option = Number of contracts x nominal value x current market price of bonds x delta coefficient
3	Index future contract	Market value of future position = Number of contracts x value calculated on an index point x current index level
4	Bond future contract	Market value of future position = Number of contracts x value of contracts calculated under notional value x market value of the cheapest transferable bonds
5	Other contracts	Upon the model selected by the fund management company, agreed with the supervisory bank and approved by the Fund Representative Board.
<p>Notes:</p> <p>¹ If the fund holds long position, the market value may be adjusted to increase premium.</p> <p>² Delta coefficient is the simple derivative of option price over underlying securities price. In the simple case, the delta coefficient may be considered 1. In case of complex option, the delta coefficient shall be determined by fund management companies, supervisory banks after being approved by the Fund Representative Board.</p> <p>³ If the fund holds long position, the market value may be adjusted to increase premium.</p>		

3.2 Valuation Guidelines and Pricing Committee

The Manager will apply valuation guidelines that comply with the Law and are in accordance to best international standards to define on a case-by-case basis which valuation method provides a fair value of a Fund's investments in case market prices are unavailable. The estimate of fair value seeks to best replicate the amount at which the investment could be sold in a current transaction between willing parties. The valuations of such investments will be approved by a pricing committee of the Manager and, if required, by the Fund Representative Board and the Supervisory Bank for the calculation of the Fund's NAV.

The purpose of the pricing committee is to oversee the pricing of the fund positions, research and resolve any pricing problems and ensure that VCBF adheres to the consistent application of international and local best practices in determining the value of its positions.

Investors should note that the accounting guidelines prescribed by the Ministry of Finance and other applicable regulations of the Law take precedence over best international practices where specific regulations are made that may be different to best international practices. Consequently, a higher or lower NAV may be established by applying the accounting guidelines prescribed by Law than if best international practices were applied. A significant difference in the applicable regulations to best international practices occurs in the recognition of receivables (such as purchased or bonus shares), which under the Law may only occur on the settlement date (instead of on the trading or ex-date, which is the standard international practice).

XII. FEES AND EXPENSES

1. TRANSACTION FEES

Fees and expenses related to transaction of Fund Units will be paid directly by Unitholders and are

not charged to the Fund. VCBF reserves the right to change the fee schedule.

The transaction fees are the following:

1.1 Subscription Fee

A Subscription Fee may be imposed on the purchase of Units of the Fund. The Subscription Fee shall be a percentage of the subscription amount. Depending on the individual subscription amount, either as an initial subscription, a regular monthly or quarterly subscription, or a follow-on subscription, the following Subscription Fees on the investors' paid subscription amount for the Trading Day will apply:

Figure 10: Schedule of Subscription Fees

Subscription Amount– Vietnam Dong	Subscription Fee (% of subscription amount) (*)
VND1,000,000 to VND500,000,000	2.0%
More than VND500,000,000 to VND1,000,000,000	1.5%
More than VND1,000,000,000 to VND10,000,000,000	1.0%
More than VND10,000,000,000 to VND20,000,000,000	0.5%
More than VND20,000,000,000	0.0%

(*) During IPO, the fee is on par value of Fund Unit. A discount of 20.0% (twenty per cent) of the above Subscription Fees is awarded to investors subscribing to Fund offered in an IPO.

Subscription Fees are not applied to re-investments of Fund dividends.

A discount of 20.0% (twenty per cent) of the total Subscription Fee will be applied to subscriptions of investors that invest under a monthly or quarterly Systematic Investment Plan for 12 (twelve) consecutive months as given in Section X.9.4.

The Subscription Fees for Fund Units may be changed by VCBF from time to time. Any changes of the fees will be publicised in a revision of this Prospectus.

1.2 Redemption fee

Investors are encouraged to hold Fund Units as part of their long-term investment and retirement plan. An Open-ended Fund is not designed as trading products. Frequent purchase and redemption of Units in the Open-ended Fund which is designed to seek via long-term investment may impact returns of the investment in the Fund by the Unitholder as well as that of the Fund. A Redemption Fee is applied on NAV per unit based on the investment horizon as follows:

Figure 11: Schedule of Redemption Fees

Holding Period	Redemption Fee (% of NAV)
1 month or less	3.0%
More than 1 month to 12 months	1.0%
More than 12 months to 24 months	0.5%
More than 24 months	0.0%

The holding period shall be calculated for each purchase using first in, first out method as the default process.

The Redemption Fee will be subtracted from the proceeds paid to Unitholders upon redemption and will be recorded as an income for the Fund.

The Redemption Fees for Fund Units may be changed by VCBF from time to time. VCBF also reserves the right to amend the fee structure to include either redemption gates, swing pricing or dilution levies, as outlined in Section IV.11. Any changes of the fees will be publicised in a revision of this Prospectus

1.3 Switching Fee

Except for the case where the Switching Fee is exempted by law, the Switching Fee is the difference between Subscription Fee of the destination Fund and Subscription Fee of the leaving Fund at the time the switch is executed if this difference is higher than zero.

There is no Redemption Fee charged for a Switching Order. The holding period of the Units is reset to the date of purchase of the switched-in Fund.

1.4 Transfer Fee

A flat fee of VND300,000 (three hundred thousand Vietnam Dong) transfer fee will be charged for each transfer of Units. The Transfer Fee is paid by the transferor.

2. OPERATING AND ADMINISTRATION EXPENSES

Only fees and expenses which are directly related or attributable to the operation and administration of the Fund will be charged to the Fund. Please note that the fees given are those currently applied, and may change in the future. The fees include the following:

2.1 Management Fee

The Management Fee is calculated and accrued daily and payable monthly to VCBF. The annual management fee for the Fund is set as a percentage charge of NAV as follows:

Figure 12: Schedule of Management Fee

Fund	Management Fee (% p.a. of NAV)
VCBF Blue Chip Fund	1.9% p.a.

Total management fee, fund administration fee and registrar and transfer agency services will not be higher than the limit allowed by the regulation.

2.2 Supervisory Bank Fees

The Supervisory Bank Fees are 0.04% (four basis points) per annum on NAV with a minimum of VND21,000,000 (twenty one million Vietnam Dong) per month, whereby the minimum fee is waived till 24 December 2014. The Supervisory Bank Fee is calculated and accrued daily and payable monthly to the Supervisory Bank.

2.3 Custody Fees

The Custody Fees are 0.04% (four basis points) per annum on NAV with a minimum of VND21,000,000 (twenty one million Vietnam Dong) per month, whereby the minimum fee is waived till 24 December 2014. The Custody Fee is calculated and accrued daily, including transaction and registration fees for securities transactions, and payable monthly to the Supervisory Bank.

Total Supervisory Bank Fees and Custody Fees shall follow prevailing applicable regulations issued by the Ministry of Finance.

2.4 Fund Administration Fees

The Fund Administration Fees are 0.04% (four basis points) per annum on NAV with a minimum of VND105,000,000 (one hundred and five million Vietnam Dong) per annum, whereby the minimum fee is waived till 24 December 2014. The Fund Administration Fee is calculated and accrued daily and payable monthly to the Supervisory Bank.

2.5 Registrar and Transfer Agency Services

The Registrar and Transfer Agency Services Fees are 0.04% (four basis points) per annum on NAV with a minimum of VND10,500,000 (ten million and five hundred thousand Vietnam Dong) per month, whereby the minimum fee is waived till 24 December 2014. The annual Registrar and Transfer Agency Services Fee is calculated and accrued daily and payable monthly to the Transfer Agent.

2.6 Auditors fees

The auditor fees are subject to selection and negotiation with the auditing company, and will be determined annually at the end of the Fund's Financial Years.

2.7 Allowance of the Fund Representative Board

The expenses of the Fund Representative Board will be charged as expenses to the Fund. Expenses include expenses for insurance against liabilities incurred in connection with the discharge of their responsibilities. The remuneration of the members of the Fund Representative Board shall be approved by the Investors General Meeting.

2.8 Other Expenses

- Brokerage fees of fund's transactions.
- Printing expenses, such as for the printing of documents required by Law for the investors;
- Independent valuation fees for individual investments of the Fund, such as from brokers if securities are not listed (but only if required);
- Costs incurred for any Investors General Meeting and Fund Representative Board meeting and operating expenses of Fund Representative Board;
- Fees paid to authorities to register for the IPO certificate and certificate to establish the Fund;
- Legal fees relating to the operation and transactions of the Fund and other fees/expenses permitted by the Law;
- Tax and other government compulsory charges on the Fund; and
- Other expenses as allowed by Law.

XIII. INFORMATION ON MANAGER AND SERVICE PROVIDERS

1. INFORMATION ON THE MANAGER

Name of the Company:	Vietcombank Fund Management
Establishment and Operation License	06/UBCK-GPHĐQLQ dated 2 December 2005
Head Office	15 th Floor, VCB Tower, 198 Trần Quang Khải, Hoàn Kiếm, Hà Nội
Tel:	(84-4) – 39364540
Fax:	(84-4) – 39364 542
Branch:	14 th Floor, Centec Tower, 72 – 74 Nguyễn Thị Minh Khai, District 3, Ho Chi Minh City
Term of operation:	30 years
Charter Capital:	VND55,000,000,000 (fifty five billion Vietnam Dong)

1.1 Vietcombank Fund Management

- VCBF is a domestic joint-venture fund management company between a large Vietnamese state-owned commercial bank, VCB, which holds 51.0% (fifty one per cent), and a globally operating asset management firm, FTI, which holds 49.0% (forty nine per cent).

- VCBF offers access to a range of investment opportunities in Vietnam with fully established Alternative Investment and AM businesses.
- VCBF has a team of 10 (ten) investment professionals with average years of working for VCBF of nearly 5 (five) years. VCBF also has 7 (seven) staff granted with SSC's Fund Management License.
- VCBF's AUM as at 31 December 2013 amounted to VND1,818.8 billion (one thousand eight hundred eighteen point eight billion Vietnam Dong, equivalent to US\$86.2 million (eighty six point two million US Dollars) of invested capital, of which VND109.7 billion (one hundred and nine point seven billion Vietnam Dong) belong to 2 (two) active PE funds and VND1,709.1 billion (one thousand seven hundred and nine point one billion Vietnam Dong) in institutional discretionary asset management mandates and other structured products.
- VCBF launched its AM business in mid-2009, leveraging on FTI's global asset management strength and expertise and the extensive local market knowledge gained from the success of its PE funds. The discretionary investment mandates for institutional clients have different investment objectives and time horizons, and portfolios of bonds and equities which best meet the investors' needs. The mandates have consistently outperformed their respective benchmarks.
- Website: www.vcbf.com

1.2 VCBF Management Team

- **Mr. Avinash D. Satwalekar, CFA**
Chief Executive Officer and Chief Investment Officer
Mr. Satwalekar joined VCBF in May 2012. He oversees the overall activities of the organization and the investments of the funds under management of VCBF.

Before joining VCBF, Mr. Satwalekar was a portfolio manager and vice president, research analyst for Franklin Portfolio Advisors ("FPA"), a division of Franklin Templeton Portfolio Advisors. He was a member of the Franklin Small Cap Growth portfolio management team and was the lead manager for the private small cap accounts for FPA, and has 16 (sixteen) years investment experience.

Mr. Satwalekar received a Bachelor of Commerce degree from the University of Bombay, India and an Masters of Business Administration in finance from The Wharton School at the University of Pennsylvania. He is a Chartered Financial Analyst (CFA) Charter holder, and a member of the CFA Society of San Francisco.

- **Mr. Nguyen Trung Nam**
Deputy CEO of VCBF
Mr. Nam joined VCBF in March 2014 and is based in the Hanoi Office.

Mr. Nam joined Vietcombank ("VCB") in 2002 and held various positions in the bank's Payment Promoting Department. He was an assistant to CEO of Vietcombank from 2009 to 2011 and also a Deputy Director of Executive Board Office at Vietcombank headquarter from November 2011 to January 2013. Prior to joining VCBF, Mr. Nam was Director of the Payment Promoting Department

Mr. Nam holds a Master of Banking and Finance from Monash University of Australia, Master of Development Economics, National Economics University (Vietnam) and Institute of Social Studies (Netherlands) and a Bachelor of Foreign Trade from Foreign Trade University, Vietnam.

1.3 VCBF Fund Managers

- **Mr. Avinash D. Satwalekar, CFA**
Chief Executive Officer, Chief Investment Officer and Portfolio Manager
In his dual role also as Chief Investment Officer, Mr. Satwalekar will take an active role in supervising the investment process of the Fund, and will lead the Portfolio Managers in the asset allocation, investment and divestment decisions of the Fund (see Section XIII.1.2 above for further details).

- **Ms. Ngo Phuong Anh, CFA**
Portfolio Manager

Ms. Phuong Anh joined VCBF in April 2006 and is based in the Ho Chi Minh office.

In addition to her responsibilities for open-ended funds, Ms. Phuong Anh is a Portfolio Manager for several discretionary AM portfolios for institutional investors. Before that, she was Head of Research, responsible for supervising and approving recommendations of the research team, and begun in VCBF as an investment analyst with the private equity team, covering pharmaceuticals, food producers and other manufacturing companies. Ms. Phuong Anh has 10 (ten) years of investment and auditing experience.

Ms. Phuong Anh holds a Master of Science in Financial Economics with distinction from the University of Gothenburg, Sweden, and a Bachelor of Business Administration in Investment, Finance & Banking with honors from the University of Wisconsin – Madison, USA. She is a Chartered Financial Analyst (CFA) Charter holder, and a member of the CFA Society of Singapore.

- **Ms. Nguyen Thi Hang Nga, CFA**
Portfolio Manager

Ms. Nga joined VCBF in June 2006 and is based in the Ha Noi office.

In addition to her responsibilities for open-ended funds, Ms. Nga is a Portfolio Manager for several discretionary AM portfolios for institutional investors. Ms. Nga was previously Head of Research, responsible for supervising and approving recommendations of the research team, and begun in VCBF as an investment analyst with the private equity team, covering financial services and fast moving consumer goods. Ms. Nga has 12 (twelve) years of investment and auditing experience.

Ms. Nga holds a Master of Commerce (Advanced) from the University of Queensland with two majors in Applied Finance and Professional Accounting and a Bachelor of Economics from the National Economics University - Hanoi with a major in Accounting and Auditing. She is a Chartered Financial Analyst (CFA) Charter holder, and a member of CFA Society of Singapore.

1.3 VCBF Board Members

VCBF has five Members on its Board of Directors representing the joint venture partners which is responsible for the strategy and development of VCBF. All Board Members play an active role, and provide important contributions from the experience from the local and international markets.

- **Mr. Pham Quang Dzong**
Chairman of VCBF and Deputy Chief Executive Officer of VCB

Mr. Dzong has been a Member of VCBF's Board since its inception and currently serves as the Chairman of the Board of Directors.

Mr. Dzong holds a Masters of Business Administration in International Banking and Finance from University of Birmingham, U.K and a Bachelors of Business Administration in Banking and Finance from National Economics University, Vietnam.

- **Mr. Stephen Grundlingh**
Vice Chairman of VCBF's Board and Regional Head (South East Asia), FTI

Mr. Grundlingh joined the Board in November 2008, and was previously CEO of VCBF between February 2008 when FTI became partner to the firm and November 2008.

Mr. Grundlingh holds a Bachelor of Law and Politics from University of Stellenbosch, South Africa.

- **Mr. Pham Chi Quang**
Member of VCBF's Board and Director of Investment and Treasury of VCB

Mr. Quang joined the Board in November 2010.

Mr. Quang holds a Bachelor degree in Economics from Hanoi National Economics University, a Master degree in Economics of Development from International Institute of Social Studies of

Erasmus University Rotterdam and Masters of Business Administration (major in strategic focus) from Edinburgh Business School, Heriot-Watt University, UK.

Mr. Dennis Lim

Member of VCBF's Board and Senior Managing Director and CEO Portfolio Managing FTI

Mr. Lim was appointed to the Board of Directors of VCBF in March 2008, and also serves on the Investment Committee of VCBF's offshore private equity fund.

Mr. Lim holds a Bachelor of Science degree from the National University of Singapore and a Master of Science degree from the University of Wisconsin-Milwaukee, USA.

2. JOINT VENTURE PARTNERS OF VCBF

2.1 Joint Stock Commercial Bank for Foreign Trade of Vietnam

- Listed on HSX (ticker: **VCB**), with market capitalization of US\$2.95 billion (as at 31 December 2013), VCB is widely regarded as a leading bank in Vietnam due to its broad capabilities and leading role it plays in Vietnam's banking sector.
- VCB is the fourth largest bank in Vietnam with total assets of around US\$22.2 (twenty two point two billion US Dollars) (as of 31 December 2014..
- VCB is well established with over 13,700 (thirteen thousand and seven hundred) employees, 1 headquarter, 79 (seventy nine) branches and 300 (three hundred) transaction offices throughout the country.
- VCB is a market leader across corporate banking segments in Vietnam, supported by a dominant position in trade financing and international payments (with a market share of approximately 20.0% (twenty per cent)), as well as in lending to export-related industries. It is also a market leader in foreign exchange transactions.
- VCB is highly regarded as one of the best managed and most transparent banks in Vietnam, and hence is well-positioned, especially during difficult market environment.
- VCB announced a strategic shareholders agreement with Mizuho Bank in September 2011, with Mizuho acquiring 15.0% (fifteen per cent) of the bank. This will further strengthen VCB's global banking capabilities.
- Website: www.vietcombank.com.vn

2.2 FTI

- FTI is a global fund management company established in New York in 1947. Publically traded on New York Stock Exchange (ticker: BEN) with market capitalization of US\$36.42 billion (thirty six point forty two billion US Dollars) (as at 31 December 2013), FTI provides wide global coverage with more than 30 (thirty) offices serving clients in more than 150 (one hundred and fifty) countries.
- FTI manages investment for individuals, institutions, pension plans, trusts, partnerships and other clients globally. It offers investment solutions for investors including mutual funds, retirement savings vehicles and college savings plans. Products are offered under 3 (three) independent world-class investment management groups: Franklin, Templeton and Mutual Series. The total AUM as at 30 September 2013 amounted to US\$879.1 billion (eight hundred and seventy nine point one billion US Dollars).
- Of 106 (one hundred and six) funds, 32 (thirty two) of FTI's funds were rated by Morningstar with four or five stars as at 31 July 2013, meaning that they were in the top 34.0% (thirty four per cent) of all funds rated by Morningstar in that category on a risk-adjusted return measure.
- The multi-manager structure allows FTI to offer specialized expertise across key asset classes and investment styles, supported by a single global platform. As a result, FTI offers investors the opportunity for true diversification and "the expertise of many with the strength of one".
- FTI has strong presence in Asia and was among the early foreign fund investors in Vietnam with the launch of its Templeton Vietnam Opportunities Fund, Inc., a closed end fund listed on the New York Stock Exchange and led by Dr. Mark Mobius in the mid-1990s and has maintained a Vietnam representative office since 2008. FTI became the joint-venture partner with VCB in VCBF in 2008.
- Website: www.franklintempleton.com

3. FUND REPRESENTATIVE BOARD

The Fund Representative Board is a board overseeing the operations of VCBF and the service providers, and with a majority of members independent of VCBF and the Supervisory Bank, is designed to safeguard the interests of the Investors. The role and functions of the Fund Representative Board are governed by Law and the Charter (as summarized in Section XVII).

The Fund Representative Board will be appointed by the Investors General Meeting through the ballot vote in the IPO. Candidates for the Fund Representative Board (FRB) are as follow:

1. Mr. Nguyen Trung Kien – Independent Member – Chairman of FRB

Mr. Kien has 13 year-experience in investment analysis and investment consulting. He is the founder and currently Chief Executive Officer of MDKT Ltd., a company operating in field of investment consulting, real estate brokerage and management consulting. Previously, he held the position of a Senior Investment Analyst at Temasek Holding (Singapore), a Senior Analyst in the Development Department of OCBC Bank (Singapore), a Financial Structure Specialist - Commonwealth Bank of Australia - New York Branch (USA) and an Analyst at Credit Suisse First Boston Investment Bank (Singapore).

Mr. Kien holds a Master of Business Administration from the University of Chicago (USA), Bachelor of Applied Finance from Macquarie University (Australia) and a Bachelor of Commerce from Macquarie University (Australia).

2. Ms. Pham Thi Phuong Nhi – Independent Member

Ms. Nhi gains 10 years of experience in accounting and auditing. Ms. Nhi is now Account Payable Manager at Novellus System Co., Ltd, Vietnam. She held positions of Pricing Specialist, Accounting Supervisor at IBM Vietnam, Queensland Treasury Corporation (Australia) and Auditor-in-Charge at KPMG Vietnam.

Ms. Nhi holds a Master of Commerce (Advanced) with two majors in Applied Finance and Professional Accounting from the University of Queensland (Australia) and holds a Bachelor of Foreign Economics from Foreign Trade University (Vietnam). She is now completing the final stage to get certification from the Association of Chartered Certified Accountants (ACCA).

3. Ms. Nguyen Thu Huong - Member

Ms. Huong has 9 years of working experience in law. Ms. Huong joined VCBF in 2010 and in charge of all legal related issues of VCBF. Before, Ms. Huong is the Manager of Investment Law Consulting Department at Investconsult, a group in field of local and international investment consulting and a legal specialist at Ministry of Justice of Vietnam.

Ms. Huong holds a Master of Law from Nagoya University (Japan) and Bachelor of Art with Major in Business Law from Hanoi National University.

4. SERVICE PROVIDERS

4.1 Supervisory and Custody Bank

Deutsche Bank AG - Ho Chi Minh City Branch
Registration Certificate No. 20/NH-GP dated 28 June 1995 issued by the State Bank of Vietnam
Certificate for Custody Activities No. 09/GP HĐLK dated 16 October 2000 issued by the State Securities Commission
Address: Floor 14th, 65 Le Loi Street, Saigon Center Building, Ho Chi Minh City
Telephone: +848 6299 9000 Fax: +848 3824 4602
Principal activities: banking and financial services as permitted in the above licenses.

The Supervisory Bank fulfills the role of supervising the activities of the Manager in the

administration and operations for the Fund, and must be independent of the Manager, have qualified staff, the capacity to fulfill all the legal obligations in this role and ensure that all the assets of the Fund are duly registered and kept in custody.

The Custody Bank will keep in safe custody all the securities and other such instruments belonging to the Fund to ensure smooth inflow-outflow of securities and such other instruments as and when necessary in the best interest of the investors, and ensure that the benefits due to the holdings are recovered. The Custodian will charge the Fund a fee as per the custodial service agreement.

4.2 Distribution Agents

The list of Distribution Agents and Official Transaction Acceptance Points may be changed from time-to-time after completing the required procedures with SSC and in accordance with the Law. The initial list of Distribution Agents consists of:

1. Saigon Securities Joint Stock Company

Address: 72 Nguyen Hue, District 1, Ho Chi Minh City

Registration Certificate No. 03/GPHĐKD dated 24 February 2002 issued by the SSC.

2. Vietcombank Securities Ltd

Address: 17th Floor, VCB Tower, 198 Tran Quang Khai, Hoan Kiem, Hanoi

Registration Certificate No. 09/GPHĐKD dated 24 April 2002 issued by the SSC.

3. Vietnam Joint Stock Commercial Bank for Foreign Trade of Vietnam

Address: 198 Tran Quang Khai, Hoan Kiem, Hanoi

Certificate for Custody Activities No. 14/GP HĐLK dated 2 May 2003 issued by the SSC.

List of Official Transaction Acceptance Points will be listed in Appendix 2. Changes in Distribution Agents and List of Official Transaction Acceptance Points will be updated in Appendix 2 and in the website of VCBF, www.vcbf.com.

4.3 Statutory Auditor

The auditor of the Fund shall be appointed by the Manager and approved by the Investors General Meeting. The selected auditing firm shall be established and operating in accordance with the Law and shall not be a related person to the Manager and the Supervisory Bank. Annually, the Manager shall propose at least 2 (two) auditing companies for the Fund to the Investors General Meeting.

4.4 Legal Counsel

Baker & McKenzie (Vietnam) Ltd

Unit 1001, 10th Floor

Indochina Plaza Hanoi

241 Xuan Thuy Street, Cau Giay District

Hanoi

Registration Certificate No: 81/BTP/GP dated on 10 August 2009 issued by Ministry of Justice

4.5 Brokerage Company

The fund will open securities trading accounts with following securities firms:

Saigon Securities Incorporation

72 Nguyen Hue,

District 1,

Ho Chi Minh City

Registration Certificate No. 03/GPHĐKD dated 24 February 2002

Viet Capital Securities Company

67 Ham Nghi,
Nguyen Thai Binh Ward,
District 1,
Ho Chi Minh City
Registration Certificate No 068/UBCK-GP dated 6 November 2007

Vietcombank Securities Company

17/F Vietcombank Tower,
198 Tran Quang Khai
Hanoi
Registration Certificate No. 09/GPHĐKD dated 24 April 2002

5. AUTHORIZED AGENTS**5.1 Transfer Agent**

Deutsche Bank AG - Ho Chi Minh City Branch
Floor 14th, 65 Le Loi Street
Saigon Center Building, Ho Chi Minh City
Registration Certificate No. 20/NH-GP dated 28 June 1995 issued by the State Bank of Vietnam
Certificate for Custody Activities No. 09/GPHĐLK dated 16 October 2000 issued by the State Securities Commission

VCBF is satisfied that Deutsche Bank AG - Ho Chi Minh City Branch can provide the services required and have adequate facilities, including system capabilities and back up, to discharge its various obligations as Transfer Agent as provided in the regulations and has sufficient capacity to handle investor complaints. The Manager has also satisfied itself that Deutsche Bank AG - Ho Chi Minh City Branch has been duly registered with SSC to carry out such activities under the above two licenses and the registration is valid till date.

5.2 Fund Accountant

Deutsche Bank AG - Ho Chi Minh City Branch
Floor 14th, 65 Le Loi Street
Saigon Center Building, Ho Chi Minh City
Registration Certificate No. 20/NH-GP dated 28 June 1995 issued by the State Bank of Vietnam
Certificate for Custody Activities No. 09/GPHĐLK dated 16 October 2000 issued by the State Securities Commission.

XIV. CONFLICTS OF INTEREST

It is an obligation of VCBF, under the Charter and by virtue of best international practices, at all times to act in the interests of the investors, to act fairly and honestly for all the funds under management, and to establish internal controls and risk management systems to monitor and supervise any potential and actual conflicts of interests. In cases where conflicts of interest arise, the Manager shall notify the Fund Representative Board and agree on remedial processes to mitigate or manage such conflicts.

Transactions with parties related to VCBF constitute potential conflicts of interests. Related parties of VCBF include VCB, FTI, members of Board of Directors of VCBF, Board of Management of VCBF (Chief Executive Officer and Deputy Chief Executive Officer) and others who are consider related parties to VCBF in accordance with the Law ("Related Parties"). The Fund may enter into transactions with parties deemed to be related parties with VCBF which are listed below:

Figure 13: Related Party Transactions

Name of Party involved in the transaction	Nature of Transaction	Nature of Relationship
VCBS	Securities trading Fund Distribution Agent Fund Sponsor	VCBS is Distribution Agent 100.0% owned by VCB, who against owns 51.0% of VCBF
VCB	Placement of deposit Fund Distribution Agent	VCB has 51.0% interest in VCBF
FTI	Fund sponsor	FTI has 49.0% interest in VCBF

In all cases, transactions shall be at arm length transactions and for the interest of investors.

All transactions that can cause potential conflicts of interest shall be consulted and approved by VCBF and disclosed to investors. However, VCBF shall use its best efforts avoid transactions that cause conflicts of interest that cannot be suitably managed.

Related Parties are allowed to transact Fund's Units in the same manner as other investors as specified in Section X.

By law, all Fund Unit transactions of members of Board of Management and staff of VCBF must be reported to VCBF's internal control department before and after execution.

XV. TAXATION

The information provided herein is for general purposes only and is based on the currently prevailing Law and the practice that is currently in force in Vietnam. This information cannot be regarded as advice relating to the tax or legal implications of an investment in a Fund of an investor or Unitholder. Investors and Unitholders should be aware that the relevant tax regulations and their interpretation might change. There can be no guarantee that the tax regulations prevailing at the time of investment in Fund Units will endure indefinitely.

In view of the individual nature of tax consequences, each investor/Unitholder is advised to consult their own professional tax advisor with regard to the specific tax and financial implications of the investment in the Fund.

The following summary outlines the key tax implications under the prevailing Law which are applicable to investors of the Fund. The summary is based on the Law on Personal Income Tax No. 04/2007/QH12 dated 21 November 2007, Law No. 26/2012/QH13 dated 22 November 2012 on amending and supplementing a number of articles of the Law on personal income tax, the Law on Corporate Income Tax No. 14/2008/QH12 dated 3 June 2008, Law No. 32/2013/QH13 dated 19 June 2013 on the amendments to the Law on corporate income tax and relevant provisions and regulations, notably Circular No. 60/2012/TT-BTC dated 12 April 2012, Circular 72/2006/TT-BTC dated 10 August 2006, and Circular 100/2004/TT-BTC dated 20 October 2004, Circular 111/2013/TT-BTC dated 15 August 2013 and Official Letter 10945/BTC-TCT dated 19 August 2010

Figure 14: Indicative summary of currently prevailing applicable taxes on investors

Investors	Tax on investors arising from		
	Dividend payment	Redemption Fund Unit	Gift/ inheritance
Residential Individual	5% (*)	0.1% of transaction value (*) or 20% of net gain (if investor has registered and received tax code at the point of conducting tax finalization procedure and determining net gain, tax rate of 20% is applied. However, even in this case, tax rate of 0.1% of transaction value is still withheld for each transfer and this provisionally paid tax amount will be deducted when doing tax finalization))	10% * securities value higher than VND10 million
Non-residential Individual	5% (*)	0.1% of transaction value (*)	10% * securities value higher than VND10 million
Vietnamese institutional investor	25% (22% since 1/1/2014 and 20% since 1/1/2016), except for the case where distributed dividends are after-tax profit (*)	Income generated from Redemption of Fund Unit will be included in the taxable income of Vietnamese institutional investors tax rate is 25% (22% since 1/1/2014 and 20% since 1/1/2016)	Income generated from Gift/Inheritance of Fund Unit will be included in the taxable income of Vietnamese institutional investors, tax rate is 25% (22% since 1/1/2014 and 20% since 1/1/2016)
Foreign institutional investor	25% (22% since 1/1/2014 and 20% since 1/1/2016), except for the case where distributed dividends are after-tax profit (*)	0.1% of transaction value (*)	0.1% of transaction value (*) (**)
<p>(*) Tax withheld at source (**) There is no specific regulation on the taxation of a foreign institutional investor receiving gift/inheritance in the form of securities. However, giving gift/inheritance will result in the transaction of transfer of securities. Under Circular No. 60/2012/TT-BTC, tax at 0.1% on the transfer value of securities will apply transaction of transfer of securities. However, the Ho Chi Minh City Tax Department issued Official Letter No. 5308/CT-TTHT dated 13 July 2012 and Official Letter No. 5929/CT-TTHT dated 7 August 2012 and ruled that a withholding of 5% enterprise income tax will be imposed on the value of the gift/inheritance in the form of securities in accordance with Circular No. 60/2012/TT-BTC. Strictly speaking, the 5% enterprise income tax withholding as stipulated in Circular No. 60/2012/TT-BTC applies to income from “services, lease of machinery and equipment, insurance and lease of drilling platforms”. The legal basis for the 5% tax rate in these official letters are questionable.” Therefore, it is subject to the guidance of the applicable Tax Department</p>			

The applicable taxes for investors provided in Figure 14 are only indicative of the taxes under currently prevailing Law. Investors must be aware that the actual taxes applied to investors and that are withheld at source shall be in accordance to the Law prevailing at time of payment which may differ from the indicative rates provided in Figure 14. No notice of taxes in variance of the actual taxes to those indicated above can be made, and investors are required to obtain their own tax advice.

XVI. REPORTING AND DISCLOSURE

The Financial Year-end for the Fund is 31 December.

1. INVESTOR LEVEL REPORT

The Manager will on a monthly, quarterly, annual basis send Unitholders the list of their transactions, statement of trading account, sub-account, NAV report and report on changes in NAV of the Fund, and other reports as required by regulations.

For Unitholders trading on an omnibus account, the Manager shall send the list of transactions and balance of personal sub-account upon written request of Unitholders in as far as this information is available to the Manager. The time limit for providing information is within 5 (five) days from the date of receipt of Unitholders' document.

2. FUND LEVEL REPORT

The Manager will publish or provide Unitholders with the following:

- a. The prospectus, simplified prospectus; semiannual financial statements, audited annual financial statements.
- b. Semiannual and annual operational reports of the Fund in the form specified by SSC.
- c. Semiannual and annual statistic report of transaction fee of fund's investment activities.
- d. Semiannual and annual report on fund's performance of the Fund in the form specified by SSC.
- e. Fund performance report and fees statistics will also be added to an updated Prospectus after one year of operation and will be updated at least annually.

3. AD HOC REPORT

Ad hoc reports will be issued to investors in case there are special developments or actions of the Fund, which include but are not limited to reports following distribution of profits to investors, prior to the consolidation or merger of a Fund, and subsequent to decisions delegated by the Investors General Meeting to the Fund Representative Board.

4. REPORT DELIVERY

Documents shall be provided free of charge to investors via the Manager website of, or sent directly to Unitholders' email. Reports can also be made available on request at distribution agents. The disclosure shall be made within 30 (thirty) days, from the end of semiannual fiscal year; and within 90 (ninety) days, from the end of annual fiscal year. Unitholders may refuse to receive documents.

XVII. SUMMARY OF THE CHARTER

The Charter of the Fund contains 13 (thirteen) Chapters with 63 (sixty three) Articles and 3 (three) Appendices with the summarized contents as below:

Chapter I: General Provisions

This Chapter provides information on the name, address, organizational principles of the Fund, Fund's legal representatives, Fund Manager and Supervisory Bank. The Charter Capital mobilized in the Fund's initial public offering shall be at least VND50,000,000,000 (fifty billion Vietnam Dong). The Charter Capital shall be divided into Fund Units. The par value of a Fund Unit shall be VND10,000 (ten thousand Vietnam Dong).

Chapter II: Provisions on Investment Objectives, Policies and Limits

This Chapter determines investment objectives, strategies and limitations, borrowing, lending, repurchase agreements and margin trading and investment selection methods. The contents of this Chapter are also specified in Chapter VI and Chapter VII of this Prospectus.

Chapter III: The Unitholders, Register of Unitholders and Transactions in Fund Certificates

The rights and obligations of the Unitholders are specified in this Chapter. The main register of Unitholders or Register is the document to record the title of Unitholders to the Fund's Certificates and details of each Unitholder and his/her ownership of Fund Units. The information about Transactions in Fund Certificates, fees, subscription and redemption prices are provided in details in Article 16 and Article 18 of the Charter and also in Chapter X and Chapter XII of this Prospectus.

Chapter IV: Investors General Meeting

The highest organ of the Fund is the Investors General Meeting. All Unitholders in the Register are entitled to attend and vote at annual or extraordinary Investors General Meetings. The annual Investors General Meeting is held on the 15 (fifteenth) April of each year. An extraordinary Investors General Meeting may be held at the request of either the Manager, the Fund Representative Board or Unitholders who own at least 10% (ten per cent) of the outstanding Fund Units. The Investors General Meeting shall be held when Unitholders representing at least 51.0% (fifty one per cent) of outstanding Fund Units are present. If within 30 (thirty) minutes from the time appointed for the meeting, a quorum is not present, the meeting shall be dissolved. In the event that the first Investors General Meeting is dissolved, the second one shall be convened without a quorum within 30 (thirty) days after the date designated for the first meeting.

At Investors General Meeting, the Unitholders shall be entitled:

- a. To approve the modification and supplementation of the Charter, the Supervision Contract;
- b. To replace the Supervisory Bank;
- c. To approve fundamental changes in a Fund's investment policies and objectives or profit distribution plan;
- d. To approve the consolidation or merger of a Fund;
- e. To temporarily suspend Fund Certificate transactions; to split a Fund;
- f. To dissolve a Fund;
- g. To elect, remove or discharge the Chairperson or a member of the Fund Representative Board; to approve the remuneration and operating expenses of the Fund Representative Board; to approve the selection of auditing firm to audit annual financial statements of the Fund; to approve reports on the financial position, assets and annual operations of the Fund;
- h. To approve fee increase payable to the Manager or the Supervisory Bank;
- i. To terminate and to replace the Manager; and
- j. To decide on other issues within its authority as regulated by the Law;

The Fund Representative Board may be delegated with the Investors General Meeting's authority on any issues given above in points b) to j) if approved by the Investors General Meeting in its most recent annual meeting.

Chapter V: Fund Representative Board

The Fund Representative Board is set up to represent the interests of the Unitholders and to decide on the issues if authorized by Investors General Meeting. The Fund Representative Board shall have at least 3 (three) members and 11 (eleven) members at most, of which at least two-thirds shall be independent members. Members of the Fund Representative Board must meet criteria including having full capacity for civil acts; not being prohibited from establishing and managing an enterprise;

and having expertise and experience in finance or banking or insurance or securities or accounting or auditing or law or having graduated from university with a major in one of the above fields.

The Fund Representative Board shall approve the list of quotation service providers, the principles and method of NAV determination; the list of banks with which the Fund can deposit money, money instruments and other assets in which the Fund is authorized to invest; transactions of the Fund's assets within its authority for transactions in the form of negotiation and sales or purchases of unlisted securities or securities not registered for trading; the profit to be distributed; the time limit and procedure for profit distribution or handling losses arising out of the course of business; decide issues in conflict between the Manager and the Supervisory Bank; request the Manager and the Supervisory Bank to provide sufficient and timely information about the Funds under management and supervision activities.

The Chairperson of the Fund Representative Board shall convene and chair meetings of the Fund Representative Board and the Investors General Meeting and request information on the Fund and on the implementation of the decisions of the Fund Representative Board and Investors General Meeting from the Manager. The members of the Fund Representative Board shall be suspended or dismissed in one of the following cases:

- a. dismissal by a decision of the Investors General Meeting;
- b. expiry of the term of appointment or on resignation;
- c. serious violation of obligations, disclosure of confidential information or failure to participate in activities of the Fund Representative Board for two (2) consecutive Fund Representative Board meetings without satisfactory reason;
- d. death or loss or partial loss of civil capacity, or any other reason prescribed by the Law to act as a member of the Fund Representative Board; or
- e. indictment or prosecution, or any other reason which may cause damage to the reputation of the Fund Representative Board;

A meeting of the Fund Representative Board shall be held when at least two-thirds of its members are present, of which independent members shall account for at least 51.0% (fifty one percent). Meetings of the Fund Representative Board must be fully recorded in minutes. The Chairperson and the secretary appointed to the meeting, if appointed, take joint responsibility for the accuracy and truthfulness of meeting minutes of the Fund Representative Board.

Chapter VI: The Fund Manager

The Manager of the Fund is Vietcombank Fund Management, established under the license No. 06/UBCK-GPHĐQLQ by the State Securities Commission (SSC) dated 5 December 2005. The Manager shall at all times meet the following requirements:

1. To provide the service of fund management;
2. To be independent from the Supervisory Bank;
3. To have sufficient facilities and personnel to manage open ended funds;
4. To agree to commit to the Fund as indicated in the Appendix 1 and Appendix 3 of the Charter.

The Manager shall at all times act fairly and honestly for the fund, to avoid conflicts of interest and in good faith in cases where conflicts of interest cannot be avoided. The Manager shall ensure that its personnel, organization and administration have the capacity and structure to fulfill its obligations to the investors and comply with the Charter and Law and best international practices.

It is not be permitted to use assets of the Fund to re-invest in the Fund; to use the assets of the Fund to invest in another public fund or another public securities investment company under its management; to use assets of the Manager, or of its clients under portfolio management contract to invest in the Fund; to use assets of the Fund to provide a loan or to guarantee any loan of the Manager or of persons affiliated to the Manager, or to pay off its debt or debts of its affiliated person

or to pay off debt of any other persons or of any legal entity; to do anything in violation of the Law and violate any restriction in fund management activity of securities investment fund stipulated for the establishment, organization and operation of the fund management companies

The Manager shall terminate its rights and obligations if its license for establishment and operation is revoked; or if on consolidation or merger with another company the rights and obligations of the Manager are not fully assigned to a successor and are terminated.

The Manager shall terminate its rights and obligations with respect to the Fund in the following events:

- a) At the decision of Investors' General Meeting; or
- b) the license for establishment and operation is revoked; or
- c) on consolidation or merger with another company if the rights and obligations of the Manager with respect to the Fund are not fully assigned to a successor of the Manager and are thereby terminated.

In case the Investors General Meeting decides to change the manager, the Fund shall pay the Manager compensation as below:

Compensation based on Fund's NAV	Time to replace the Manager
3% and costs	Within 3 years since the Fund is granted establishment certificate
1.5% and costs	After 3 years since the Fund is granted establishment certificate

NAV to calculate compensation to the Manager shall be average NAV of reported NAV during the latest 52 (fifty two) weeks preceding the Investors General Meeting that approved the replacement of the Manager and the Supervisory Bank confirms such approval.

Chapter VII: Supervisory Bank

A Supervisory Bank to be selected must meet all the following conditions:

1. Being a commercial bank with a certificate of registration of securities depository activities with the function of providing depository services and supervising the management of public funds;
2. Not being any person related to the Manager;
3. Having sufficient capacity to provide depository and supervisory services;
4. Performing commitments to the Fund as set in the Appendix 2 of the Charter.

The Supervisory Bank shall at all times act in the interests of the Unitholders in supervising the management of the Fund's assets, and shall ensure and take full responsibility for the Funds' assets in case it authorizes sub-custodians. The Supervisory Bank shall ensure that its personnel, organization and administration have the capacity and structure to fulfill its obligations to the Unitholders and comply with the Law, the Charter and the Supervision Contract.

The Supervisory Bank may be terminated its rights and obligations to the Fund in the following cases:

- a. The Supervisory Bank is, dissolved or bankrupt, or its securities custody license is revoked;
- b. unilaterally terminate the custody and supervisory agreement signed between the Manager on behalf of the Fund and the Supervisory Bank;
- c. The Fund is terminated;
- d. At the decision of the Investors General Meeting of the Fund.
- e. Other cases in accordance with the Law.

If the Supervisory Bank unilaterally terminates the supervisory agreement signed between the Manager on behalf of the Fund and the Supervisory Bank, the Supervisory Bank shall give a prior written notice at least 6 (six) months and the Supervisory Bank can terminate the supervisory agreement only when the transfer of all rights and obligations of the Supervisory Bank to the new supervisory bank selected by the Fund is completed.

Chapter VIII: Related Services Providers

The Manager is entitled to engage third parties as service provider for fund administration and transfer agent. The delegation does not decline or change the responsibilities of Manager to the Fund.

Chapter IX: Distributors

The Fund Manager is entitled to choose the Fund Certificates Distributors if they can meet the following requirements:

1. 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.
2. Having at least one business place that is selected as distribution place for Fund Certificates at the time of registration in accordance with the Law;
3. Having procedures on Fund Certificate distribution, including the process, procedure of analysis, update and identification of investor's and beneficiaries' information, codes of conduct for staff who distribute Fund Certificates, internal rules on prevention of late trading and arbitrage activities based on taking advantage of time differences, market timing in accordance with international practices.

The operation and distribution provisions are specified in Article 44 and 45 of the Charter.

Chapter X: Auditing, Accounting and Reporting Regime

The auditing firm of the Fund shall be appointed by the Manager and approved by the Investors General Meeting. The Fund shall apply the Vietnamese Accounting System and comply with other regulations related to accounting as provided for by the competent bodies. The Fund's functional and presentation currency is Vietnam Dong. The Financial Year of the Fund shall be the calendar year and ends on 31 December, unless this period is under 3 (three) months in the first Financial Year, in which case it shall be 31 December of the next year.

Chapter XI: The Net Asset Value (NAV) of the Fund

The calculation of the NAV is responsibility of the Manager but may be provided by a third party Fund Administrator. Methods to determine NAV shall be provided based on valuation guidelines prepared by the Manager and accepted by the Supervisory Bank. Valuation guidelines shall set principles to value money and its equivalents, monetary market instruments, bonds, stocks, derivatives and other assets. Changes to the valuation guidelines are subject to approval by the Supervisory Bank and the Fund Representative Board. A pricing committee will be established by the Manager to set fair prices in case it is not prescribed or it is not provided clearly in the valuation guidelines.

The Supervisory Bank must confirm the NAV and the NAV per Fund Unit. Damages are paid to Unitholders in case transactions were made at an incorrect NAV of over 0.75% (seventy five basis points) for a bond fund and over 1.0% (one per cent) for other funds. If the Fund is misvalued and causes losses to Unitholders, Unitholders are compensated by the Fund. If the Fund suffers losses, the Manager shall pay the Fund compensation.

Chapter XII: Profit and Fund's Cost

Profits of the Fund to Unitholders shall be distributed at the proposal of the Manager and approval of the Fund Representative Board on the basis of audited financial statements confirming the availability of such profits for distribution. The profit shall be paid in cash or for re-investment in the Fund. The Unitholders are entitled to specify whether to receive cash or to reinvest in the subscription form. The Fund's operating cost is provided in Article 57 of the Charter and also in Chapter XII.2 of this Prospectus.

Chapter XIII: Other Provisions

Consolidation, merger or splitting of the Fund shall be only carried out if approved by an Investors General Meeting of the Fund. Fund shall be dissolved and liquidated if determined by the Investors General Meeting or the NAV of the Fund reduces to under VND10,000,000,000 (ten billion Vietnam Dong) within 6 (six) consecutive months.

The Manager shall act fairly to all the funds under its management, set up internal audit and risk management to monitor and supervise potential and actual conflicts of interest. In cases of interest conflicts, the Manager shall notify the Fund Representative Board and agree on remedial processes to mitigate or manage such conflicts.

The Charter shall be amended and supplemented only if approved by the Investors General Meeting except for cases of amendment and supplement due to legal changes or spelling mistakes, numbering of the Chapters or Articles arising from the modification of the Charter approved by the Investors General Meeting. The Charter of the Fund will be valid for an indefinite term.

XVIII. LEGAL BASES

The legal bases for the establishment and operation of the Funds are the following legal instruments:

1. Law on Securities No. 70/2006/QH11 passed by the National Assembly of the Socialist Republic of Vietnam on 29 June 2006 and the Law No. 62/2010/QH12 amending and supplementing a number of articles of the Law on Securities passed by National Assembly of the Socialist Republic of Vietnam on 24 November 2010;
2. Decree No. 58/2012/NĐ-CP dated 20 July 2012 on Stipulating in detail and Guiding the implementation of a number of Articles of the Securities Law and the Law amending and supplementing a number of Articles of Securities Law;
3. Decree No 108/2013/NĐ-CP dated 23 September 2013 on Sanctioning of administrative violations in the field of Securities and Securities market;
4. Circular No. 183/2011/TT-BTC of the Ministry of Finance providing guidance on the establishment and management of open ended fund dated 16 December 2011;
5. Circular No. 125/2011/TT-BTC of the Ministry of Finance guiding the Accounting system applicable to FMC dated 5 September 2011;
6. Circular 212/2012/TT-BTC of the Ministry of Finance on Guiding the establishment Organization and Operation of Fund management company dated 5 December 2012;
7. Decision No. 55/2009/QĐ-TTg of the Prime Minister on participation of foreign investors in Vietnam's securities market dated 15 April 2009;
8. Circular No. 213/2012/TT-BTC of the Ministry of Finance regulating the activities of foreign investors in Vietnam's securities market dated 6 December 2012;
9. Circular 198/2012/TT-BTC of the Ministry of Finance on the regime of Accounting system of the Open Ended Fund dated 15 November 2012;
10. Decision No. 88/2009/QĐ-TTg of the Prime Minister regulating capital contribution, share purchases of foreign investors in Vietnamese enterprises dated 18 June 2009;
11. Circular 52/2012/TT-BTC of the Ministry of Finance on guiding the Disclosure of information on securities market dated 5 April 2012; and
12. Other relevant legal instruments

XIX. CONTACT

For general information, please contact:

Vietcombank Fund Management

Head Office in Hanoi

15th Floor, Vietcombank Tower

198 Tran Quang Khai Street,

Hanoi, Vietnam

Tel: (84-4) 3 936 4540

Fax: (84-4) 3 936 4542

Ho Chi Minh City Branch

14th Floor, Centec Tower

72-74 Nguyen Thi Minh Khai, District 3,

Ho Chi Minh City, Vietnam

Tel: (84-8) 3 8270 750

Fax: (84-8) 3 8270 751

For products & services enquiries, please contact:

Customer Relationship Officer

Email: Investor@vcbf.com or NhaDauTu@vcbf.com

Tel: (84-4) 3936 4540 or (84-8) 3 827 0750

XX. COMMITMENTS

The Fund management company hereby commits to take all responsibilities for the accuracy, truth of the information contained herein and documents attached hereto.

APPENDICES:

Appendix 1: Application Forms and other Order Forms

Appendix 2: List of Official Transaction Acceptance Points and Where to get Prospectus

Appendix 3: Vietnam Economic Review

Appendix 4: Draft of the Charter



Global Knowledge. Local Expertise

VIETCOMBANK FUND MANAGEMENT

Hanoi Office

15th Floor, Vietcombank Tower

198 Tran Quang Khai St.,

Tel: (84-4) 39364540

Fax: (84-4) 39364542

Ho Chi Minh Office

14th Floor, Centec Tower

72-74 Nguyen Thi Minh Khai St., Dist. 3,

Tel: (84-8) 38270750

Fax: (84-8) 38270751