

VIETCOMBANK FUND MANAGEMENT



Global Knowledge. Local Expertise

**PAPERS FOR THE INVESTOR
GENERAL MEETING**

**VCBF TACTICAL BALANCED FUND
&
VCBF BLUE CHIP FUND**

HO CHI MINH CITY, 14 APRIL 2017

TABLE OF CONTENTS

| | Page |
|--|-----------|
| I. APPROVAL OF CHAIRPERSON AND AGENDA OF IGMS..... | 5 |
| II. REPORTS OF FUNDS 2016 | 6 |
| 1A) VCBF-BCF | 6 |
| 1B) VCBF-TBF..... | 8 |
| 2 Macro and Market reviews, Manager’s Perspective | 10 |
| 3 Investor Activity 2016..... | 18 |
| 4 Audited Financial Statements 1 Jan – 31 Dec 2016..... | 18 |
| 5 Update of the Fund for the period 1 Jan – 31 Mar 2017..... | 18 |
| III. REPORT OF THE SUPERVISORY BANK | 20 |
| IV. REPORT OF THE BOARD OF REPRESENTATIVES FOR 2016 | 22 |
| V. DELEGATION OF AUTHORITY OF THE IGM TO THE FRB | 24 |
| VI. AMENDMENTS TO THE FUND CHARTER | 25 |
| VII. INVESTORS’ QUESTIONS AND ANSWERS – | 28 |
| VIII. APPROVAL OF THE IGM MINUTES AND IGM’S RESOLUTIONS | 28 |
| | |
| APPENDIX 1A: AUDITED FINANCIAL STATEMENTS VCBF-BCF | 29 |
| APPENDIX 1B: AUDITED FINANCIAL STATEMENTS VCBF-TBF | 30 |

| |
|--|
| <p><i>Note:</i> All conversions of VN Dong to US Dollars in these Papers are calculated at Vietcombank’s selling rate as at 28 Feb 2017 of VND22,810 per US Dollar unless otherwise indicated.</p> |
|--|

ACRONYMS and ABBREVIATIONS

| | |
|--------------|--|
| Art | Article |
| bp | basis point, or 1/100ths of 1% |
| CEO | Chief Executive Officer |
| Charter | Charter of the Fund |
| Circular 183 | Circular No. 183/2011/TT-BTC Guiding the Establishment and Management of Open Ended Funds dated 16 December 2011 as amended by Circular No. 15/2016/TT-BTC dated 20 January 2016 |
| CPI | Consumer Price Index |
| FDI | Foreign Direct Investment |
| FRB | Fund Representative Board (of VCBF-TBF) |
| Fund(s) | VCBF Blue Chip Fund and/or VCBF Tactical Balanced Fund as the context requires |
| GDP | Gross Domestic Product |
| GSO | General Statistics Office |
| H | half of the year |
| HNX | Hanoi Stock Exchange |
| HSX | Ho Chi Minh Stock Exchange |
| IGM | Investors General Meeting (of a Fund) |
| IPO | Initial Public Offering |
| Manager | VCBF, being the manager of the Funds |
| m-o-m | month on month |
| NAV | Net Asset Value |
| no. | number |
| OEF | Open-ended Fund |
| Q | Quarter |
| q-o-q | quarter on quarter |
| SIP | Systematic Investment Plan |
| SBV | State Bank of Vietnam |
| SSC | State Securities Commission |
| TPP | Trans-Pacific Partnership |
| VCBF-BCF | VCBF Blue Chip Fund |
| VCBF-TBF | VCBF Tactical Balanced Fund |
| VNI | Index of the Ho Chi Minh Stock Exchange |
| y-o-y | Year-on-year |
| ytd | year to date |



Letter from the Chief Investment Officer

Hanoi, March 2017



Dear Investors,

2016 has been as remarkable year as it has been unpredictable. It began with the growth scares in China, then came the UK Brexit decision and finally the unexpected victory of Donald Trump in the US Presidential elections. The Vietnam economy still remained resilient. GDP grew robustly by 6.2% for the year after a challenging first two quarters. Investors were rewarded with strong returns of 14.8% in the capital markets as 2016 marked the fifth consecutive year of positive gains for the Vietnam Ho Chi Minh Stock Index (VN Index).

As long-term investors, we invest in the long-term potential of companies we are monitoring. We plan conscientiously and remain committed to our investment philosophy and long-term perspective. This resulted in both our open-end funds outperforming their respective benchmarks by a wide margin in 2016.

The message from 2016 is that political risk has increased and is likely to increase uncertainty in 2017. But we remain optimistic about the long-term future of the Vietnam economy. Manufacturing and construction are strong drivers of growth. Foreign direct investment remains strong and, even with the Trans-Pacific Partnership fading, is fuelling further long-term growth of the economy. The Purchasing Managers' Index consistently indicates continued expansion.

We continue to look for long-term investment opportunities in companies that have strong secular growth, shareholder-friendly management teams, and reasonable valuations. We believe that a portfolio of such investments will have the highest probability of creating long-term wealth for you, our clients.

We thank you for trusting and investing with Vietcombank Fund Management and look forward to continuing to serve you for the long-term. For more detail about the funds' performance, please visit us at www.vcbf.com.

Yours Sincerely,

A handwritten signature in blue ink, which appears to read 'Avinash D. Satwalekar'. The signature is fluid and cursive.

Avinash D. Satwalekar
Chief Executive Officer | Chief Investment Officer

I. APPROVAL OF CHAIRPERSON AND AGENDA OF IGMs

Pursuant to Art 20 (3) of the Charters of VCBF-BCF and VCBF-TBF, the Manager has convened the IGM on 14 Apr 2017 and prepared the agenda for the IGMs.

The tabled agendas for the IGMs are:

- I. Approval of the agenda, secretariat and voting committee of the IGM;
- II. Presentation of the Funds' operations and financial statements as at 31 Dec 2016 and update of the Funds' operations as at 31 Mar 2017;
- III. Report of the Supervisory Bank for the period ending 31 Dec 2016;
- IV. Report of the FRB for 2016;
- V. Resolution to delegate authority to the FRB;
- VI. Resolution to amend the Charters of VCBF-BCF and VCBF-TBF;
- VII. Investors' Questions and Answers; and
- VIII. Approval of the minutes of the IGM and resolutions of the IGMs.

Pursuant to Art 22 (1) of the Funds' Charters, the Chairperson of the FRB, Mr. Nguyen Trung Kien, shall preside as chairperson of the IGM.

The IGM is requested to approve the following resolutions:

THAT the Agenda as tabled be approved; and

THAT the Voting Committee and secretariat to the IGMs be approved.

II. REPORTS OF FUNDS 2016

1A) VCBF-BCF

FUND DATA – 31 Dec 2016

Total Net Asset Value:
VND 175,586,279,696

NAV per unit:
VND 14,092.35

Number of units:
12,459,686.63

Inception: 22 August 2014

Trading day: Weekly on
Wednesday

Subscription Fee (Max): 2%

Management Fee: 1.9%

FUND BENCHMARK

The Fund's benchmark return is VN100 Index's return.

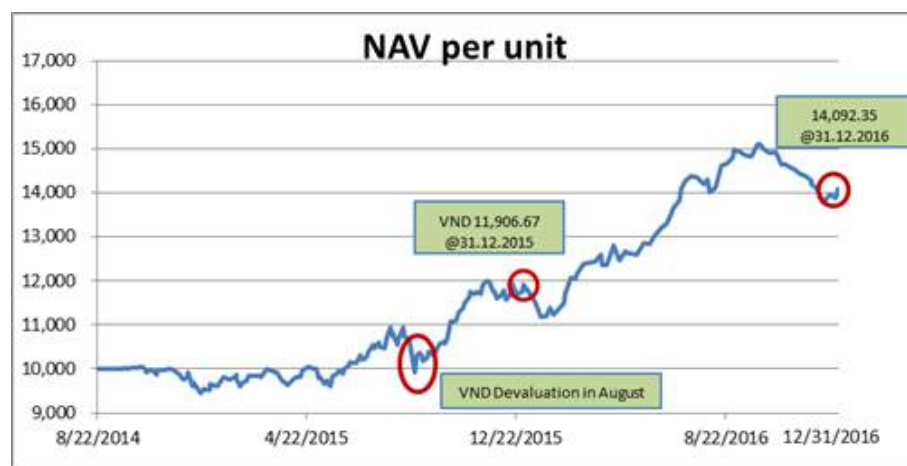
FUND MANAGERS

Mr. Avinash Satwalekar, CFA
Ms. Ngo Phuong Anh, CFA
Ms. Nguyen Thi Hang Nga, CFA

FUND STRATEGY

- VCBF Blue Chip Fund (VCBF-BCF) will primarily invest in a diversified portfolio of stocks listed on the Ho Chi Minh Stock Exchange (HSX) and Hanoi Stock Exchange (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.

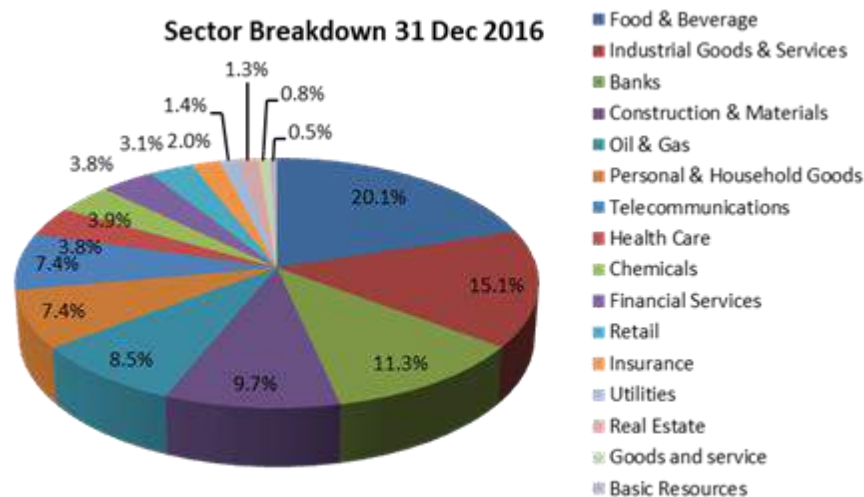
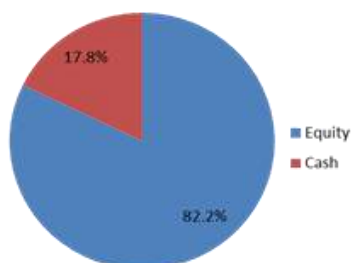
FUND PERFORMANCE



| Return (w/o Subscription fee) | Fund | Benchmark |
|-------------------------------|-------|-----------|
| Year 2016 | 18.4% | 7.0% |
| Since inception (% per annum) | 15.6% | 1.9% |

For the year 2016, VCBF-BCF’s return was 18.4%, outperformed the benchmark by 11.4%. Since inception, the return of the fund is 15.6% per annum, outperformed the benchmark by 13.7% per annum. Equity allocation slightly increased to 82.2% by the end of the 4Q 2016. The top three stocks that contributed the most to the return of the fund in 2016 were Vinamilk (HSX:VNM), Vietnam Electric Cable Corporation (HSX: CAV) and Rang Dong Light Source and Vacuum Flask Company (HSX: RAL). These three companies contributed for approximately 39% of return from the equity portion of the portfolio, had impressive earning growth in 2016, with 20.3%, 40.5% and 58.0%, respectively, compared to 2015. The recovery of the powder milk in the export market as well as the dairy sector in the domestic market and the low powder milk input price in 2016 created the earnings growth for Vinamilk. The recovery of the real estate market and reduction in the input price (copper) were the main reason for the earnings growth in CAV. RAL also benefitted from the real estate market when projects are in completion phase and low oil price.

FUND BREAKDOWN



TOP 5 STOCK HOLDINGS

% of Fund NAV

| | |
|-----------------------------|------|
| Vietnam Dairy Product (VNM) | 9.9% |
| Military Bank (MBB) | 6.2% |
| FPT Corporation (FPT) | 6.1% |
| Thanh Cong Group (TCM) | 5.1% |
| Viconship Group (VSC) | 4.2% |

Holdings as of 31 Dec 2016

1B) VCBF-TBF

FUND DATA – 31 Dec 2016

Total Net Asset Value:
VND 151,681,688,763

NAV per unit:
VND 15,078.23

Number of units:
10,059,647.03

Inception: 24 Dec 2013

Trading day: Weekly on
Wednesday

Subscription Fee (Max): 2%

Management Fee: 1.5% p.a.

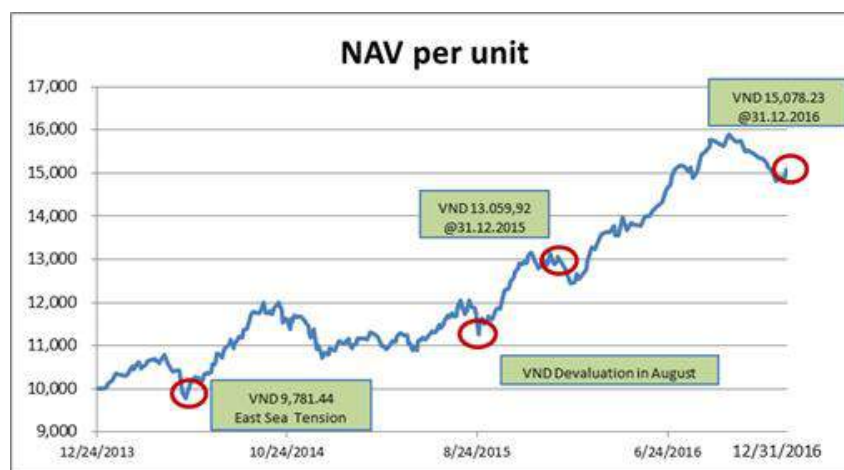
FUND STRATEGY

- VCBF Tactical Balanced Fund (VCBF-TBF) has a balanced allocation of 50% of its total assets in equity securities and 50% in fixed income securities. The asset allocation may vary tactically from the balanced allocation by $\pm 25.0\%$ subject to VCBF’s investment team’s assessment of risk and return in these asset classes and the availability of investment opportunities.
- The high quality fixed income securities include bank deposits, Vietnam Government bonds and municipal bonds or bonds guaranteed by the Government or listed corporate bonds. Listed corporate bonds are considered only if the bonds meet certain safety requirements.
- The Fund invests in a diversified portfolio of stocks which have a large market capitalization and are liquid on HSX and HNX.
- The Fund follows a bottom-up approach to stock-picking by valuing fundamentals of the companies and chooses companies across various sectors.
- The investment objective of the Fund is to provide long-term total return via growth of capital and current income by investing in stock and high quality fixed income instruments.

FUND BENCHMARK

The Fund’s benchmark return is the average of VN-Index and 10-year government bond yield

FUND PERFORMANCE



FUND MANAGERS

Mr. Avinash Satwalekar, CFA

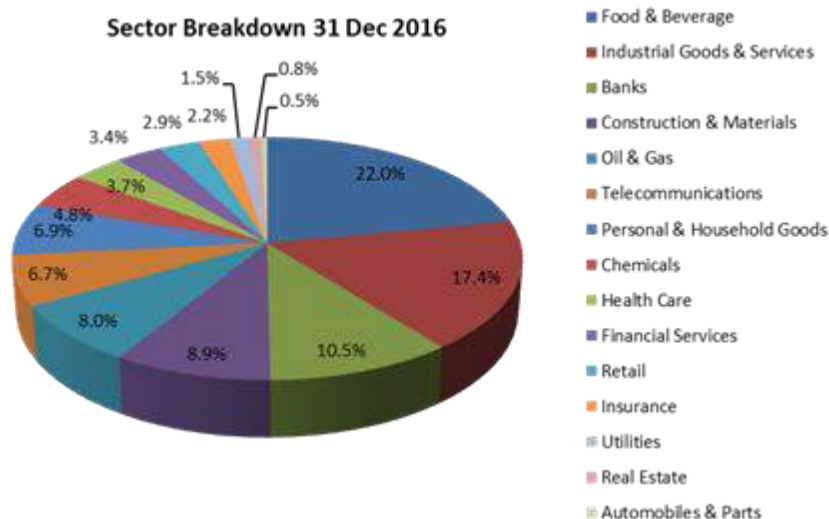
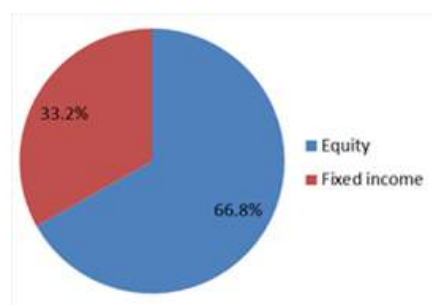
Ms. Ngo Phuong Anh, CFA

Ms. Nguyen Thi Hang Nga, CFA

| Return (w/o subscription fees) | Fund | Benchmark |
|--------------------------------|-------|-----------|
| Year 2016 | 15.5% | 11.0% |
| Since inception (% per annum) | 14.6% | 8.6% |

VCBF-TBF earned 15.5% in 2016, outperformed the benchmark by 4.5%. Since inception, the annually compounded return of the fund is 14.6% per annum, outperformed the benchmark by 6.0% per annum. The top three stocks that contributed the most to the return of the fund in 2016 were Vinamilk (HSX: VNM), Vietnam Electric Cable Corporation (HSX: CAV) and Rang Dong Light Source and Vacuum Flask Company (HSX: RAL). These three companies contributed for approximately 42% of return from the equity portion of the portfolio, had impressive earning growth in 2016, with 20.3%, 40.5% and 58.0%, respectively, compared to 2015. The recovery of the powder milk in the export market as well as the dairy sector in the domestic market and the low powder milk input price in 2016 created the earnings growth for Vinamilk. The recovery of the real estate market and reduction in the input price (copper) were the main reason for the earnings growth in CAV. RAL also benefitted from the real estate market when projects are in completion phase and low oil price.

FUND BREAKDOWN



| TOP 5 STOCK HOLDINGS | % of Fund NAV |
|---------------------------------------|---------------|
| Vietnam Dairy Product (VNM) | 8.9% |
| Military Bank (MBB) | 4.1% |
| FPT Corporation (FPT) | 3.8% |
| Vinconship (VSC) | 2.9% |
| PetroVietnam Technical Services (PVS) | 2.9% |

Holdings as of 31 Dec 2016

2 Macro and Market reviews, Manager's Perspective

MACRO RECAP

GDP in 2016 affected by adverse domestic conditions and global headwinds

The economy got off to a slow start in 2016 with GDP growth rate declining to 5.5% yoy in 1Q 2016. The agricultural sector was hit by the worst drought in 70 years in the south and extreme cold in the north. Crude oil production was reduced due to the low global prices. Global growth was weaker than anticipated affecting exports. Additional uncertainties also built up globally over 2016 following the Brexit vote and the U.S. presidential election. Whereas the agricultural conditions improved over the year, crude oil prices only recovered to over US\$50 per barrel in Dec 2016.

2016 GDP growth still recovered to a robust 6.2% yoy

Though the buoyant rates of growth achieved in 2015 were not reached, the Vietnamese economy in 2016 performed well against headwinds. GDP growth strengthened in each quarter to 6.7% growth in 4Q 2016 against 4Q 2015, bringing yoy GDP growth for 2016 to 6.2% yoy. The service sector, accounting for 40.9% of GDP, grew by 7.0% yoy against 6.3% in 2015, while the Industrial & Construction sector, accounting for 32.7% of GDP, grew by 7.6% against 9.6% in 2015. Mining and Quarrying continued to drag on the industrial growth due to the low commodity prices and declined by 4.0% yoy in 2016, against growth of 6.9% yoy in 2015. The agricultural sector, accounting for 16.3% of GDP, has in aggregate terms broadly recovered from the climate impacts in the 1H 2016, but grew by 1.4% yoy (2015: 2.4%), the lowest rate since 2011.

Manufacturing and Construction main growth drivers; FDI inflows strong

Manufacturing remained to be the main growth driver throughout the year and increased by 11.9% yoy (up from 10.6% yoy in 2015) followed by Construction with 10.0% yoy (down from 10.8% in 2015). The PMI stayed firmly positive throughout the year, averaging over 52 points. FDI disbursements however grew 9.0% yoy to a record estimated US\$15.8bn. Total FDI approvals reached US\$20.9bn, 8.0% under the 2015 total because there were fewer mega-projects over US\$1.0bn in 2016. Confidence of foreign investors in Vietnam remains: the total number of 3,781 projects was 33.7% higher than in 2015. 71.3% of the total FDI approvals amounting to US\$14.9bn were for processing and manufacturing projects.

Exports versatile and not overly vulnerable to potential U.S. trade policy change

Export revenues in 2016 increased 9.0% yoy to US\$176.6bn, up from 8.1% yoy growth in 2015. FDI companies remain dominant in exports and account for 70.2% of the total non-oil exports. Despite the setback leading to Samsung's recall of the Galaxy Note 7 telephone assembled in Vietnam in October 2016, exports of electronics, computers, telephones and spare parts increased by 16.4% yoy to US\$53.3bn. FDI companies account for 99.0% of these exports (and Samsung recently announced a plan to invest a further US\$2.5bn in one of its electronic plants in Bac Ninh province 2).

Vietnam's exports should not be overly affected by adverse U.S. trade policies

The new U.S. President has introduced many uncertainties in global trade in addition to abandoning the Trans-Pacific Partnership, of which Vietnam was widely considered to become the largest individual beneficiary. The U.S.A. is Vietnam's largest export market accounting for US\$38.5bn or 21.8% of total exports in 2016 ahead of the EU with US\$34.0bn or 19.3%. However Vietnam's trading position overall is not considered overly vulnerable. Vietnam's exports benefit from more trade agreements than any other country, and it has established itself as a reliable, if not the cheapest, partner country to host FDI manufacturing, for some as an alternative to China. Measures to support manufacturing jobs in the U.S.A. are considered more likely to target higher value-added exports produced by Malaysia and Thailand rather than those from Vietnam¹. A border tax on imports could affect imports to the U.S. of seafood, garments and footwear but would be politically controversial and have a regressive impact on U.S. consumers.

Domestic companies also developing export markets

FDI companies account for 67.7% of total exports, especially electronic products in which much investment has flowed. Domestic companies have however also shown their versatility. Revenues from agricultural exports have performed well, notably vegetables and fruits, which grew by 33.6% to US\$2.4bn, but also coffee, cashews, tea and pepper, which increased by 19.6% to US\$7.8bn. This offset the 22.4% yoy decline in rice exports to US\$2.2bn, but also the 36.5% reduction in crude oil revenues to US\$2.4bn.

Trade surplus robust

The US\$2.5bn trade surplus was achieved with imports contained at 5.2% yoy growth to US\$174.1bn, also due to softer import prices. At 2015 prices, imports would have grown by 10.5% (exports by 10.6%) and led to a US\$3.8bn trade deficit.

VN Dong remains very stable for most of the year; the SBV increases international reserves

After having remained remarkably stable throughout most of 2016, the Vietnam Dong lost 1.0% against the USD in the last six weeks of 2016 and thus weakened by 1.2% over the year. The VND has however remained firmer than most of its trading partners' currencies since the beginning of 2015; Vietnam's real effective exchange rate

¹ World Bank, Taking Stock – An update on Vietnam's Recent Economic Developments, 1.12.2016; HSBC Global Research, ASEAN Perspectives, 30.11.2016

Domestic demand, bank credit growth and investments fuels economic growth

appreciated by 5.4% until the end of Q3 2016. The flexible daily fixing of the State Bank's central reference rate has allowed it to build up international reserves estimated at around US\$40.0bn, around 2½ months' import cover.

Since consumer confidence picked up at the end of 2014, domestic demand has remained buoyant. Real growth of retail sales reached 7.8% yoy, down from 8.5% in 2015 but still robust given the lower growth in the agricultural sector. Credit conditions remained favorable and credit growth of 18.7% yoy supported strong investment growth. Total capital formation for the year grew 8.7% yoy to US\$65.2bn or 33.0% of GDP, with private non-state investments accounting for 39.0% of the total, followed by state investments 37.5% and disbursed FDI accounting for 23.4% of the total.

Inflation edges up

Following record low inflation in 2015, the CPI in 2016 climbed to 4.7% yoy. Food and Foodstuff prices rose 2.4% yoy due to the supply shocks in the 1H 2016, but most of the inflation is due to adjustments of healthcare and education, which together account for 11.3% of the CPI basket, with yoy prices 55.7% and 10.8% higher at the end of 2016.

Outlook 2017

Even though the TPP was abandoned and U.S. trade policy could change, the Vietnamese economy is seen as resilient. Vietnam remains attractive as a manufacturing location and its exports are diverse. Domestic consumers remain confident. Though climatic conditions are less predictable, a repeat of the harsh conditions in 2016 is not expected. Following are the main projections for 2017.

| | | Q4-2016 | Q3-2016 | Q2-2016 | Q1-2016 | Q4-2015 | Q3-2015 | Q2-2015 | Q1-2015 | Q4-2014 |
|---------------------------|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Quarter GDP growth | yoy | 6.7% | 6.4% | 5.8% | 5.5% | 7.0% | 6.9% | 6.5% | 6.1% | 7.0% |
| 12M GDP growth | yoy | 6.2% | 5.9% | 5.5% | 5.5% | 6.7% | 6.5% | 6.3% | 6.0% | 6.0% |

| | | Dec 2016 | Nov 2016 | Oct 2016 | | | Dec 2016 | Nov 2016 | Oct 2016 |
|--|-------|----------|----------|----------|------------------------------|-------|-------------|-------------|-------------|
| CPI | { mom | 0.2% | 0.5% | 0.8% | VN Index (HSX) | { ytd | 14.8% | 14.9% | 16.7% |
| | { yoy | 4.7% | 3.1% | 4.1% | | { yoy | 14.8% | 16.0% | 11.3% |
| Money Supply (M ₂) ¹⁾ | ytd | 17.9% | 14.9% | n.a. | HNX Index | { ytd | 0.2% | 0.8% | 2.9% |
| Credit growth | ytd | 18.7% | 14.6% | 11.2% | | { yoy | 0.2% | 0.0% | 0.0% |
| Real retail sales growth | yoy | 7.8% | 7.6% | 7.4% | Foreign Net Purchases (\$ m) | mth | \$ (54.0) | \$ (70.3) | \$ 5.0 |
| Industrial Prod Index | { mom | 4.7% | 2.0% | 6.0% | Registered New FDI (\$ m) | mth | \$ 2,844.4 | \$ 489.6 | \$ 1,183.3 |
| | { yoy | 8.3% | 7.2% | 7.0% | Disbursed FDI (\$ m) | mth | \$ 1,500.0 | \$ 1,600.0 | \$ 1,680.0 |
| Manufacturing Index | { mom | 4.6% | 4.7% | 5.5% | Exports (\$ m) | mth | \$ 16,583.0 | \$ 16,132.0 | \$ 15,401.0 |
| | { yoy | 12.9% | 13.1% | 11.9% | Imports (\$ m) | mth | \$ 17,077.0 | \$ 16,375.0 | \$ 15,846.0 |
| PMI | mth | 52.4 | 54.0 | 51.7 | Trade Balance (\$ m) | ytd | \$ 2,526.0 | \$ 3,020.0 | \$ 3,263.0 |
| VND 12-mth deposit rate p.a. | | 6.5% | 6.5% | 6.5% | Bank US\$ selling rate | VND | 22,790 | 22,700 | 22,355 |

Sources: GSO, SBV, VCB, Customs, Nikkei + press
1) yoy for Nov 2016 (ytd n.a.)previous year.

denotes improvement denotes deterioration or unchanged

EQUITY MARKET

VN-Index ended year 2016 with an increase of 14.82%, but could have been only 7.6% without ROS and SAB

VN-Index had a better performance in 2016 compared to 2015, supported by the ample liquidity in the banking system, which was believed to be partly channelled to the stock market, the recovery of the oil price after reaching the bottom in January 2016 and the delay of rate hike of the U.S. Federal Reserve Bank till the end of the year. The market was also supported by the expectation that Vietnam is on the growing phase of an economic cycle, with low inflation and stable foreign exchange rate. However, without positive contribution from the two new listed stocks, FLC Faros Construction Company (HSX: ROS), listed on 1st September 2016 and Saigon Beverage Company (HSX: SAB), listed on 6th December 2016, VN-Index should have just increased 7.61% in 2016, not too high compared to 6.12% of last year. As of 31 December 2016, ROS was trading at P/E of 98.6x based on management's target for 2016 and SAB was trading at P/E of 26.6x based on run-rate earnings for 2016.

GAS, ROS, SAB and VNM drove up the market in 2016

These four stocks accounted for 93.0% of the increase in the index in 2016. Although declined in 4Q 2016, GAS increased 82.2% in 2016 due to recovery of oil price and VNM increased 22.2% due to low powder milk input cost in 2016 and were still the two movers of the index. For ROS and SAB, the increases in the price were not all related to the fundamental of the companies, especially ROS. By the end of the year, ROS and SAB increased 810% and 49.8% since the closing price of the initial listing date.

In term of sector, Basic Resources had the highest return of 104.4%. More than 50% of this sector's weight was represented by Hoa Sen Group (HSX: HSG), which increased 158.4% in 2016 as its earnings increased 2.3x compared to 2015's fiscal year. After a declining period, its input material hot-rolled coil kept increasing, thus enabled the company to increase the selling price while its two-three month inventory was at lower price so the gross margin for 2016 fiscal year was widened by 8.4%. In addition, the sales volume for the year also increased 22%. Together with Hoa Phat Steel (HSX: HPG), HSG was benefited from the decision of the Ministry of Industry and Trade to impose of protection tax for billet and long steel since 22nd Mar 2016 and antidumping tax for galvanized steel imported from China and Korea since 1st Sept 2016, which pushed up prices of these products in domestic market. Construction & Materials sector followed with 94.1% up in 2016. The recovery of the real estate market since 2014 resulted in many new construction sites in HCM city and Hanoi, benefitting the Construction & Materials stocks, such as Coteccons (HSX: CTD), Binh Minh Plastics (HSX: BMP). Technology sector, represented by Mobile World (MWG) increased 79.4% in 2016. MWG continued to have another good year with 75% increase in revenue and 51% increase in profits by the end of November 2016 through its mobile world and consumer electronic store expansion. Its grocery store model got better than expected with 48 stores at the end

Improved liquidity

of the year with average monthly sales of VND1 billion and 20,000 customers. MWG also plans to open another 300 shops in 2017 in Binh Tan and Tan Phu districts. Oil and gas sector also increased 69.8% as oil price recovered from its bottom of \$26-27 per barrel in mid-January to \$56.8 by the end of the year, supported by the OPEC agreement to reduce the production.

For 2016, total trading value of HCM Stock Exchange was VND602,023 billion, a 25% higher than 2015. Domestic investors, as previous years, were still the major participants in the market, where foreign investors accounted for only 14.8% of the purchased value in the market. Domestic investors were also supported by ample liquidity in the banking system with inter-bank overnight interest rate dropped from 4.9% at the beginning of the year to below 1.0% p.a as of May 19, 2016 and had been under 1% p.a for almost rest of the year until the U.S Election in November, when the rate started to increase and ended the year at 3.25% p.a, after peaking at 4.85% in mid-December 2016. The liquidity was improved also thanks to the Government’s policy to force public companies to list, which leads to the debut of several large companies, two with market capitalization over US\$1bn on HSX can be named as SAB and the Novaland Group (“NVL”).

Foreign investors continued to be the net sellers in the market in 4Q with VND2,600 billion outflow. For the whole year, the outflow was VND7,975 billion. Top selling stocks from the foreign investors were Vingroup (VIC) and Vinamilk (VNM).

BOND MARKET

Both primary market and secondary market were buoyant thanks to liquidity surplus in the banking system.

For the entire year 2016, the State Treasury successfully issued VND60,510 billion, 21.5% of total issuance.

| Tenor | 2016 Issuance Plan (VND Billion) | Amount Issued in 2016 (VND Billion) | % Issuance Plan |
|--------------|----------------------------------|-------------------------------------|-----------------|
| 3 year | 25,000 | 25,142 | 100.6% |
| 5 year | 157,000 | 162,425 | 103.5% |
| 7 year | 30,000 | 25,695 | 85.7% |
| 10 year | 9,000 | 7,978 | 88.6% |
| 15 year | 35,000 | 31,727 | 90.6% |
| 20 year | 5,000 | 3,314 | 66.3% |
| 30 year | 20,000 | 25,469 | 127.3% |
| Total | 281,000 | 281,750 | 100.3% |

With buoyant demand throughout the year, the Government not only soon completed its initial issuance plan of VND250 trillion by the end of September 2016 but also successfully sold VND31 trillion of their additional plan in 4Q 2016. The strong demand, which was 2.0x of the offering amount on average, was supported by the ample liquidity in the banking system as the State Bank of Vietnam purchased approximately US\$10bn in 2016 and credit growth only picked up

Yields dropped almost throughout the year and only bounced back at the end of the year

2017 Outlook

**MANAGER'S
PERSPECTIVE**

strongly in 4Q 2016. The strongest demand was for 5-year tenor and 3-year tenor as the registered amount was 2.3x and 2.4x higher than the offering amount, respectively. The demand of 7-year tenor, which was 2.2x of the offering amount on average for 2016, only picked up strongly from 3Q 2016 when the issuance plan for 3-year tenor, which was revised down to VND25 trillion from the original plan of VND60 trillion, was fulfilled within 1H 2016.

The secondary market was also very active in 2016 with total outright G-bonds transaction of VND853.5 trillion, 61.9% higher than the transaction value in 2015. The amount changing hand increased throughout the year with the highest value recorded in 4Q 2016. Although foreign investors net sold 9.2 trillion in October and November 2016 due to the uncertainties caused by the US Election and increasing interest rate in the global market, foreign investors still net purchased of VND5.9 trillion in 2016.

Against market expectation, yields dropped across all tenors as liquidity in the banking system was significantly improved. Yields as at 31st December 2016 were 30-105 bps lower than yields at the end of 2015. The highest fall was recorded for 7-year G-bonds, 105 bps, followed by 5-year G-bonds, 90 bps, then 10 year and 1 year G-bonds, 65 bps. The lowest reduction is for 15 year G-bonds. Starting since mid-February 2016, rates gradually dropped until early August when it started to plummet and reached the bottom in early October. Rates only picked up since October, before the Election Day of the United States when uncertainties increased and continued to the end of year when credit growth was boosted significantly.

The Government set the issuance plan of VND183.3 trillion for 2017, which is lower than the market's expectation based on the spending requirements and bonds matured in 2017. The issuance focus is still in long-term tenor bonds, which accounts for nearly 85%. The 5-year tenor continued to lead with the issuance value making up 43.8% of total issuance plan.

Rates are likely to rise as: (i) inflation was picking up as commodity prices have increased significantly, particularly in 2H 2016, (ii) tighter liquidity in the banking system as the State Bank of Vietnam is not expected to pump as much money into the market as it did in 2016, (iii) credit is expected to expand at two digit number for the 5th consecutive year, (iv) The US Federal Reserve will continue to increase interest rate. However, given the outlook of the China's economy, the biggest consumer of most of the commodities, uncertainties caused by the Brexit and supply & demand balances of key commodities (e.g. oil), rates are not expected to increase significantly.

Manufacturing, mainly from FDI will continue to support economic growth

FDI will remain a growth driver in coming years: (i) The abandon of TPP will not reverse the key attractions for FDI to Vietnam, which is its large market and low operating cost. According to a report of Standard Chartered Bank, 42% people in their survey said they would choose Vietnam to move their production base, followed by Cambodia with 25%. Although basic salary in Vietnam has been increasing in the last several years, moving production to Vietnam still saves manufacturer 22% of the cost. (ii) Commitment continued to be seen from big corporations. Samsung Display is considering adding US\$2.5 billion investment into the current project of US\$4 billion in Bac Ninh province, raising its total investment in Vietnam to US\$15.4bn. LG Corporation also added more than US\$2.0bn to its investment commitment in Vietnam in 2016 following its first US\$1.5bn consumer electronic plant in Hai Phong; (iv) Increasing FDI through satellite companies. As companies like Sam Sung Group and LG Group continue to expand in Vietnam, its suppliers also come to Vietnam, adding to the FDI. Following the consumer electronic factory in HCMC, approximately another US\$300 million FDI from its suppliers also came to Vietnam.

Agriculture is expected to improve and impact from mining will be less severe on economic growth.

Though climatic conditions are less predictable, a repeat of the harsh conditions in 2016 is not expected, which will help agriculture to improve.

For mining, as the biggest drop was already seen from the June 2016 (oil and gas production dropped only 2.2% for the first 5 months 2016 but dropped 8% for the whole year), a similar reduction in 2H 2017 was not expected, which will help lighten the drag it has on the economic growth from 2H 2017.

Looking into longer term, the strong commitment from the new Government to economic restructuring will be another key driver for growth

According to the Asia Development Bank in its presentation about Vietnam's Productivity Paradox, the key reason for Vietnam's low productivity growth is because the role of state owned enterprises (employment and output) was declining while they continued to use a lot of capital. Government's determination to privatize state owned companies will help improve productivity in the mid and long-term.

Uncertainties in the global market in the context of rising rates and Government budget constraints are key concerns.

Some issues we should watch out for are: (i) new policies of the new U.S President, how they affect trade with Vietnam and also China,

because that would in turn affect the trade relationship between China and neighbours, including Vietnam; (ii) increasing interest rate pressures. However, as noted in the “Bond Market” section, we think the rate will not increase significantly soon; (iii) budget deficit: according to the World Bank, budget deficit and public debt of Vietnam in 2016 was estimated at 6.5% and 64.8% of GDP, respectively, which was over and close to limits set by the Congress. This will impact Government’s ability to spend for infrastructure, which in turn can be the bottleneck for the long-term economic growth.

There are still opportunities for bargain although market valuation no longer looks attractive.

Market valuation has increased a lot since last one year. Starting of 2016, market P/E was 10.9x, expanded to 12.9x by the end of the 1Q 2016 and continued to expand to 14.5x as of end of 2Q 2016 and 16.3x at 13 October 2016 and 16.3x at 6 January 2017. However, it should be noted that this market valuation is tilted towards large cap stocks and is heavily influenced by high P/E large cap stock like Sabeco at P/E of 46.0x, Vingroup at P/E of 50.7x, Bao Viet Holdings at 33.2x as at 18 January 2017. Median P/E of the market is still low at 9.6x as at 18 January 2017 so there are always opportunities in the market with reasonable valuation. Vietnam is still cheaper than other emerging markets as shown in the table below, but the gap between Vietnam and other countries in the region is narrower. Vietnam valuation is now closer to China, Thailand and Malaysia’s valuations but those countries are already in the emerging market league. In medium and long-term, we are still bullish on Vietnam economy but we think the current valuation is partly reflected the potential upgrade from a frontier market to an emerging market as Vietnam’s valuation is approaching several emerging markets.

| Vietnam Stock Market Valuation Compared to Other Emerging Markets | | | | |
|---|-------------|--------------|--------------|-------------|
| Country | TTM | | LFI | |
| | ROE (%) | EV/EBITDA | PE | PB |
| China | 10.0 | 16.0x | 17.8x | 1.7x |
| Thailand | 11.1 | 11.0x | 17.0x | 1.9x |
| Malaysia | 10.5 | 10.8x | 13.8x | 1.7x |
| Indonesia | 10.2 | 12.0x | 24.0x | 2.4x |
| India | 14.0 | 12.0x | 21.3x | 2.8x |
| Brazil | 1.8 | 14.6x | 99.1x | 1.6x |
| The Philippines | 12.7 | 12.7x | 19.8x | 2.4x |
| Korea | 7.2 | 7.5x | 18.8x | 0.9x |
| Vietnam (VNIndex) | 12.2 | 10.8x | 16.4x | 2.0x |

Source: Bloomberg @ 12 January 2017, using main indices' valuation in respective markets

We continue to believe in the medium and long-term growth prospect of Vietnam. We continue our contrarian, focusing on fundamental investment philosophy and continue look for opportunities to increase

equity allocation in companies that are expected to benefit from that long term prospect for both VCBF-Blue Chip Fund and VCBF-Tactical Balanced Fund.

3 Investor Activity 2016

Investor activity in both Funds built up throughout the year, and already in 2Q 2016 total subscriptions had overtaken the numbers and amounts recorded for the whole of 2015. There was some influence by market developments, and investors, especially new investors, paused in 4Q to see the outcome of the U.S. Presidential election on the markets.

VCBF continued to pay significant attention to improve investor communications and to improve investors' awareness of general investment topics. The monthly investor newsletters covered subjects ranging from fundamentals such as types of mutual funds and asset allocation to specific subjects such as market volatility and the impact of the U.S. presidential election on Vietnamese investments. The on-line investor chat portal was very active throughout the year, allowing investors to obtain immediate attention to any questions or concerns, which was important in the change of VCBF's Transfer Agent to Vietnam Securities Depository in Mar 2016 and Supervisory Bank to Standard Chartered Bank (Vietnam) Ltd in Oct 2016. VCBF's website has also updated continually to take account of these changes and provide other information for investors.

4 Audited Financial Statements 1 Jan – 31 Dec 2016

Pursuant to the delegated resolution of the investors at the IGM on 15 Apr 2016, Ernst & Young Vietnam Ltd was appointed by the FRB as auditor of both Funds for the financial year ending 31 Dec 2016. Please refer to Appendix 1A and 1B attached to these papers containing the audited financial statements of VCBF-BCF and VCBF-TBF for the period 1 Jan – 31 Dec 2016.

It is noted that the Auditors' Report is unqualified.

The IGM is requested to approve the following resolution for each Fund respectively:

A: For the investors of VCBF-BCF:

THAT the audited financial statements of VCBF-BCF for 1 Jan – 31 Dec 2016 be approved.

B: For the investors of VCBF-TBF:

THAT the audited financial statements of VCBF-TBF for 1 Jan – 31 Dec 2016 be approved.

5. Update of the Fund for the period 1 Jan – 31 Mar 2017

The Manager shall provide further detail of the Funds' development for 1Q 2017 in its next Quarterly Report and at the IGM.

The plan for the Funds in 2017 is to pursue the investment objective of the Fund as stated in the Funds' Charters, namely:

- for VCBF-BCF, to provide medium to long-term capital appreciation by investing primarily in a diversified portfolio of stocks listed on the HSC and HNX which have a large market capitalization and are liquid
- for VCBF-TBF, to provide long-term total return via growth of capital and current income by investing in stock and high quality fixed income instruments.

Vietcombank Fund Management

Papers for the Investors General Meetings of VCBF-BCF and VCBF-TBF on 14 April 2017

It is not planned to pay profits of the Funds as a dividend to the Unitholders, and instead will be re-invested.

* * * * *

With the exception of the resolution in 4, this Item is intended for information purposes and no action of the IGM is required, unless otherwise determined.

III. REPORT OF THE SUPERVISORY BANK

SUPERVISORY BANK REPORT

We, appointed as Supervisory Bank of the VCBF Blue Chip Fund (“the Fund”) on 31st Dec 2016, recognize that the Fund operated and was managed in the following matters:

a) According to the supervisory bank report of Deutsche Bank AG, Ho Chi Minh Branch (“Deutsche Bank AG”), which was the Fund’s supervisory bank from 1st Jan 2016 to 30th September 2016, Vietcombank Fund Management Company complied with all investment restrictions under prevailing regulations for open-ended fund, Fund Prospectus, and other relevant legal documents.

On 10th October 2016, Deutsche Bank AG completed hand-over the supervisory and custody bank services to Standard Chartered Bank Vietnam (“SCBVL”). Accordingly, SCBVL has become the supervisory bank of the Fund since 10th October 2016. During our supervision of the Fund’s investments and asset transactions from 10th October 2016 to 31st December 2016, Vietcombank Fund Management Company has complied with investment restrictions under the prevailing regulations for open-ended funds, Fund Prospectus, and other relevant regulations.

b) Assets Valuation and Pricing of the Fund units were carried out in accordance with Fund Charter, Fund Prospectus, and other prevailing regulations.

c) Fund subscriptions and redemptions were carried out in accordance with Fund Charter, Fund Prospectus, and other prevailing regulations.

d) According to the supervisory bank report of Deutsche Bank AG and SCBVL’s supervision from 10th October 2016 to 31st December 2016, the Fund didn’t pay out dividend for its investors in 2016.

Hanoi, 22nd March 2017

**SUPERVISORY BANK
REPRESENTATIVE**

(Signed)

Le Sy Hoang

Head of Securities Services Operations

SUPERVISORY BANK OFFICER

(Signed)

Vu Huong Giang

Supervisory Bank Manager

SUPERVISORY BANK REPORT

We, appointed as Supervisory Bank of the VCBF Tactical Balanced Fund (“the Fund”) on 31st Dec 2016, recognize that the Fund operated and was managed in the following matters:

a) According to the supervisory bank report of Deutsche Bank AG, Ho Chi Minh Branch (“Deutsche Bank AG”), the Fund’s supervisory bank from 1st Jan 2016 to 30th September 2016, Vietcombank Fund Management Company complied with all investment restrictions under prevailing regulations for open-ended fund, Fund Prospectus, and other relevant legal documents.

On 7th October 2016, Deutsche Bank AG completed hand-over the supervisory and custody bank services to Standard Chartered Bank Vietnam (“SCBVL”). Accordingly, SCBVL has become the supervisory bank of the Fund since 7th October 2016. During our supervision of the Fund’s investments and asset transactions from 7th October 2016 to 31st December 2016, Vietcombank Fund Management Company has complied with investment restrictions under the prevailing regulations for open-ended funds, Fund Prospectus, and other relevant regulations.

b) Assets Valuation and Pricing of the Fund units were carried out in accordance with Fund Charter, Fund Prospectus, and other prevailing regulations.

c) Assets Valuation and Pricing of the Fund units were carried out in accordance with Fund Charter, Fund Prospectus, and other prevailing regulations.

d) According to the supervisory bank report of Deutsche Bank AG and SCBVL’s supervision from 7th October 2016 to 31st December 2016, the Fund didn’t pay out dividend for its investors in 2016.

Hanoi, 22nd March 2017

**SUPERVISORY BANK
REPRESENTATIVE**

SUPERVISORY BANK OFFICER

(Signed)

(Signed)

Le Sy Hoang

Head of Securities Services Operations

Vu Huong Giang

Supervisory Bank Manager

IV. REPORT OF THE BOARD OF REPRESENTATIVES FOR 2016

The Board of Representatives of VCBF Blue Chip Fund (“the Fund”) presents its report and the financial statements of the Fund for the year ended on 31 December 2016.

THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE FUND MANAGEMENT COMPANY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management of Vietcombank Fund Management (“the Fund Management Company”) is responsible for preparation and presentation of the financial statements in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and statutory requirements relevant to preparation and presentation of the financial statements which give a true and fair view of the financial position, investment portfolio of the Fund as at 31 December 2016 and of the results of its operations and its cash flows for the year then ended. In preparing those financial statements, the Board of Management of the Fund Management Company is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards applicable to the Fund have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue its business.

The Board of Management of the Fund Management Company is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Fund and to ensure that the accounting records comply with the applied accounting system. The Board of Management is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management of the Fund Management Company confirmed that it has complied with the above requirements in preparing the financial statements for the year ended on 31 December 2016.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approved the accompanying financial statements which, on the basis of the confirmation of the Board of Management of the Fund Management Company, give a true and fair view of the financial position, investment portfolio of the Fund as at 31 December 2016 and of the results of its operations, changes in its net asset value, trading of fund units and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and statutory requirements relevant to preparation and presentation of the financial statements.

On behalf of the Board of Representatives:

(Signed)

Mr. Nguyen Trung Kien

Chairman

Hanoi, Vietnam - 22 March 2017

The Board of Representatives of VCBF Tactical Balanced Fund (“the Fund”) presents its report and the financial statements of the Fund for the year ended on 31 December 2016.

THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE FUND MANAGEMENT COMPANY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management of Vietcombank Fund Management (“the Fund Management Company”) is responsible for preparation and presentation of the financial statements in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and statutory requirements relevant to preparation and presentation of the financial statements which give a true and fair view of the financial position, investment portfolio of the Fund as at 31 December 2016 and of the results of its operations and its cash flows for the year then ended. In preparing those financial statements, the Board of Management of the Fund Management Company is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards applicable to the Fund have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue its business.

The Board of Management of the Fund Management Company is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Fund and to ensure that the accounting records comply with the applied accounting system. The Board of Management is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management of the Fund Management Company confirmed that it has complied with the above requirements in preparing the financial statements for the year ended on 31 December 2016.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approved the accompanying financial statements which, on the basis of the confirmation of the Board of Management of the Fund Management Company, give a true and fair view of the financial position, investment portfolio of the Fund as at 31 December 2016 and of the results of its operations, changes in its net asset value, trading of fund units and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to open-ended funds and statutory requirements relevant to preparation and presentation of the financial statements.

On behalf of the Board of Representatives:
(Signed)

Mr. Nguyen Trung Kien
Chairman

Hanoi, Vietnam - 22 March 2017

V. DELEGATION OF AUTHORITY OF THE IGM TO THE FRB

The delegation of selected authorities of the IGM to the FRB was approved in the Funds' IPOs and the last IGMs on 15 Apr 2016. Pursuant to Art 21 (3) of the Fund Charters (and in accordance with Art 28 (5) (d) of Cir. 183), such delegation must be reconfirmed at the next IGM to be continued.

It is proposed that the delegation of the authority to the FRB is reconfirmed for both VCBF-BCF and VCBF-TBF as was approved in the last IGM, namely:

- b. To replace the Supervisory Bank;
- c. To approve fundamental changes in a Fund's investment policies and objectives;
- d. To approve the consolidation or merger of a Fund;
- e. To temporarily suspend Fund Certificate transactions except for the Manager's decision under the Law; to split the 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 the approved auditing firm to audit annual financial statements of the Fund; to approve reports on the financial position, assets and annual operations of the Fund; and
- h. To approve an increase the fee payable to the Manager or the Supervisory Bank.

The FRB shall conduct the reports of decisions in accordance with the Fund's Charter and the Law, to the Unitholders and to the SSC on those issues resolved under its powers delegated by the IGM. It is noted that the same resolution as below is being proposed at the IGM of VCBF-TBF.

Subject to revisions, the IGM is requested to approve the resolution for each Fund respectively:

A: For the investors of VCBF-BCF:

THAT the authority of the IGM to approve motions contained in Art 21 (2) sub-clauses b), c), d), e), f), g) and h) of the Fund Charter of VCBF-BCF is delegated to the FRB until further notice be approved.

B: For the investors of VCBF-TBF:

THAT the authority of the IGM to approve motions contained in Art 21 (2) sub-clauses b), c), d), e), f), g) and h) of the Fund Charter of VCBF-TBF is delegated to the FRB until further notice be approved.

VI. AMENDMENTS TO THE FUND CHARTER

A number of changes of the Charter of VCBF-BCF and VCBF-TBF are proposed as listed below.

Pursuant to Art 62 of the Fund Charter, the IGM is requested to review and approve a number of changes to the Charters as listed below. (Note: the changes presented are defined by the Vietnamese language Charter; the English translations below are for orientation only.)

The changes are indicated in underlined text for insertions and in ~~strike through~~ for deletions.

1. Definitions

Two new definitions to be inserted as follows:

““Distribution Agents” means agents authorised to accept transaction orders for Fund Units from investors at Official Transaction Acceptance Points.”

and:

““Pension Fund” means an investor that is Unitholder of the Fund and is investing under an approved pension plan in accordance to the Law.”

2. Article 18. Fees, subscription and redemption price of Fund Units

Clause 1 of Article 18 to be amended as follows:

“1. Subscription Fee

The Subscription Fee shall be a maximum of 2.0% of the subscription amount. The specific Subscription Fee shall be announced by the Manager from time to time and shall be updated in the Prospectus, the summary of the Prospectus and VCBF’s website ~~percentage of the subscription amount as below.~~

| 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% |

~~A discount of 20.0% (twenty per cent) of the above Subscription Fees is awarded to investors subscribing to Fund offered in an initial public offering.~~

~~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 Systematic Investment Plan for 12 (twelve) consecutive months.”~~

Clause 2 of Article 18 to be amended as follows:

“2. Redemption fee

A Redemption Fee shall be a maximum of 3.0% applied on NAV per unit of the redemption amount and based on the investment horizon as follows:

| Holding Period | Redemption Fee (% of NAV) |
|--|----------------------------------|
| 1 month or less | 3.0% |
| More than 1 month to 12 months ^{*)} | 1.0% (1.4% for SIPs) |
| More than 12 months to 24 months | 0.5% |
| More than 24 months | 0.0% |

~~*) — A redemption fee of 1.4% applies for redemptions made from Systematic Investment Plans in less than 12 (twelve) months from their commencement.~~

~~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.~~

~~A specific Redemption Fee shall be announced by the Manager at its website and updated in the Prospectus. For the interests of investors, the Manager may reduce the Fee. The Redemption Fee shall exceed the above Redemption Fee as provided herein if approved by the Investors General Meeting and in accordance with the Law.~~

Clause 3 of Article 18 to be amended as follows:

“3. Switching Fee

~~The Switching Fee is the difference between Subscription Fee of the switch in Fund with Subscription Fee of the switch out 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. shall be announced by the Manager on its website and updated in the Prospectus.”~~

Clause 4 of Article 18 to be amended as follows:

“4. Transfer Fee

~~A maximum flat fee of VND300,000 (three hundred thousand Vietnam Dong) transfer fee will be charged for each transfer of Units. The specific Transfer Fee shall be announced by the Manager on its website and shall be updated in the Prospectus is paid by the transferor.”~~

3. Article 25: Appointment to and Resignation from the Fund Representative Board

Clause 4 of Article 25 to be inserted as follows:

“4. In case the Board’s structure or any member of the Board no longer meets the conditions specified in Clause 2 of Article 24 or Clause 1 of this Article, or a member is forced to resign, the Fund Representative Board and the Manager shall select a member that satisfy the conditions in Clause 2 of Article 24 and Clause 1 of this Article for temporary substitution within 15 (fifteen) days from the discovery of such event. The new member shall provisionally exercise the rights and obligations of the official member of the board of

representatives of the fund until the general meeting of investors officially appoints the new official member.”

4. Article 37. Termination of rights and obligations of the Supervisory Bank to the Fund

Sub-clause e of Clause 1 of Article 37 to be amended as follows:

“Other cases in accordance with the Law and the Supervisory Contract.”

5. Article 51. Determination of the Net Asset Value (“NAV”)

Clause 2 of Article 51 to be amended as follows:

“The Fund’s NAV and the NAV per Fund Unit must be confirmed in writing or by facsimile, email or other suited means of electronic data transfer by the Supervisory Bank, or if approved by the Manager by electronic data file transfer. If the NAV or NAV per Fund Unit are misvalued, the Supervisory Bank is responsible for informing and requesting the Manager to rectify opportunely within 24 (twenty four) hours. The Fund’s NAV, the NAV per Fund Unit must be published on the website of the Manager, ~~related service providers~~, Distributors and mass media in accordance with the Law within 3 (three) days from the date of valuation and shall remain valid until a new notice is released. In case the NAV is misvalued, the Supervisory Bank must inform and request the Manager to rectify the errors within 24 (twenty four) hours from the time the error is detected.”

6. Article 52. Methodology to determine Net Asset Value

Clause 1 of Article 52 to be amended as follows:

“Methods to determine the NAV of the Fund and NAV per Fund Unit shall be specified in the valuation guidelines in accordance with the Law and best international practices. The valuation guidelines shall be ~~approved with~~ certified by the Supervisory Bank and approved by the FRB. Changes to the valuation guidelines must be agreed with the Supervisory Bank and the Fund Representative Board.”

7. Article 63: Validity of the Charter

The clause to be added as follows:

“The Charter shall be executed in both English and Vietnamese. In case of any discrepancy between English and Vietnamese version, the latter shall prevail”

* * * * *

Subject to review, the IGM of each Fund is requested to approve the proposed amendments to the Charters of VCBF-BCF and VCBF-TBF respectively and approve the following resolutions:

A: For the investors of VCBF-BCF:

THAT the amendments of the VCBF-BCF Charter to the Definitions and Articles 18, 25, 37, 51, 52 and 63 as tabled be approved.

B: For the investors of VCBF-TBF:

THAT the amendments of the VCBF-TBF Charter to the Definitions and Articles 18, 25, 37, 51, 52 and 63 as tabled be approved.

VII. INVESTORS' QUESTIONS AND ANSWERS --

Following the voting on the administrative items in Nos. V and VI above, the investors attending the IGMs of the Funds are invited to participate in questions and answers with the Manager. This section can be continued as time and the number of questions allows.

VIII. APPROVAL OF THE IGM MINUTES AND IGM'S RESOLUTIONS

Subject to completion by the IGM secretariat and presentation to the IGM, the IGM is requested to approve the IGM Minutes and the IGM's resolutions for both Funds respectively, which are the approval of the audited financial statements as in Item II 3, the delegation of authority to the FRB and the amendments to the Funds' Charter as in Items V – VI (the "IGM Resolutions"), by passing the following resolution:

A: For the investors of VCBF-BCF:

THAT the IGM Minutes and the IGM's Resolutions for VCBF-BCF be approved; and

THAT the Chairman and the Secretariat sign the IGM Minutes and the IGM Resolutions for VCBF-BCF be approved.

B: For the investors of VCBF-TBF:

THAT the IGM Minutes and the IGM's Resolutions for VCBF-TBF be approved; and

THAT the Chairman and the Secretariat sign the IGM Minutes and the IGM Resolutions for VCBF-TBF be approved.

APPENDIX 1A: AUDITED FINANCIAL STATEMENTS VCBF-BCF



VCBF Blue Chip Fund

Audited Financial Statements

as at 31 December 2016

Note: This appendix is attached in the printed format and, to manage total file sizes, is not attached in soft-copy. Please obtain the file from <http://www.vcbf.com/en/open-ended-funds/investors-general-meeting/>

APPENDIX 1B: AUDITED FINANCIAL STATEMENTS VCBF-TBF



VCBF Tactical Balanced Fund

Audited Financial Statements

as at 31 December 2016

Note: This appendix is attached in the printed format and, to manage total file sizes, is not attached in soft-copy. Please obtain the file from <http://www.vcbf.com/en/open-ended-funds/investors-general-meeting/>