



**Eastspring Investments Fund  
Management Limited Liability Company**

Financial Safety Ratio Report  
as of 30 June 2016

**Eastspring Investments Fund Management Limited Liability Company  
Corporate Information**

<b>Business Registration Licence No.</b>	4104000113 1 <sup>st</sup> amendment	24 May 2005 23 January 2006
--	---	--------------------------------

<b>Fund Management Establishment and Operation Licence No.</b>	03/UBCK-GPHDQLQ	26 May 2005
	17/UBCK-GP	23 July 2008
	27/UBCK-GPDC	20 November 2008
	67/UBCK-GPDC	15 April 2010
	25/GPDC-UBCK	09 December 2011
	51/GP-UBCK	23 March 2012
	08/GPDC-UBCK	26 March 2013
	29/GPDC-UBCK	12 September 2013

<b>Decision No.</b>	51/GP-UBCK	23 March 2012
---------------------	------------	---------------

The Business Registration Licence and Fund Management Establishment and Operation Licence were issued by the Ho Chi Minh City Department of Planning and Investment and the State Securities Commission, respectively. On 23 March 2012 the State Securities Commission issued the Decision No. 51/GP-UBCK which allowed the Company to provide portfolio management services. On 26 March 2013, the State Securities Commission issued Amendment Licence No. 08/GPDC-UBCK to supplement securities advisory function to the existing Company's licences.

The Company's operating life, as defined in the charter, is to be consistent with the life of the parent company, Prudential Assurance Vietnam Private Limited. The parent company's investment licence is valid until 29 October 2049.

<b>Members' Council</b>	Julian Christopher Vivian Pull	Chairman
	Nguyen Tuan Thân An	Member
	Wilfred John Blackburn	Member
	Jackie Chew Pei Pei	Member

<b>Board of Director</b>	Nguyen Tuan Thân An	Chief Executive Officer
--------------------------	---------------------	-------------------------

**Eastspring Investments Fund Management Limited Liability Company  
Corporate Information (continued)**

**Registered Office**

Saigon Trade Center  
37 Ton Duc Thang Street, District 1  
Ho Chi Minh City  
Vietnam

**Auditor**

KPMG Limited  
Vietnam

Re: Financial Safety Ratio Report

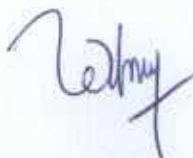
To: The State Securities Commission  
**FINANCIAL SAFETY RATIO REPORT**

As of 30 June 2016

We undertake as follows:

- (1) This report has been prepared based on up to date data at the reporting date and in accordance with the requirements of Circular No. 226/2010/TT-BTC dated 31 December 2010 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations and Circular No. 165/2012/TT-BTC dated 9 October 2012, amending and supplementing Circular No. 226/2010/TT-BTC dated 31 December 2010 issued by the Ministry of Finance regulating financial safety ratio and measures for non-compliance applicable to securities business organisations;
- (2) The issues having impact on the Company's financial status that may arise after the reporting date will be updated in the next reporting period;
- (3) We fully accept legal responsibilities for the accuracy and fairness of the contents of this report.

Prepared by



Ms. Le Minh Thuy  
Chief Accountant



Mr. Tong Cong Cuong  
Head of Internal Control  
Department

Approved by



Mr. Nguyen Tuan Thên An  
Chief Executive Officer

12 August 2016



**KPMG Limited Branch**  
10<sup>th</sup> Floor, Sun Wah Tower  
115 Nguyen Hue Street  
District 1, Ho Chi Minh City  
The Socialist Republic of Vietnam

Telephone +84 (8) 3821 9266  
Fax +84 (8) 3821 9267  
Internet [www.kpmg.com.vn](http://www.kpmg.com.vn)

## REVIEW REPORT ON FINANCIAL SAFETY RATIO REPORT

### To the Investor

### Eastspring Investments Fund Management Limited Liability Company

We have reviewed the Financial Safety Ratio Report of Eastspring Investments Fund Management Limited Liability Company (“the Company”) as at 30 June 2016 including the explanatory notes thereto which were authorised for issue by the Company’s Board of Director on 12 August 2016 (“Financial Safety Ratio Report”), as set out on pages 6 to 26.

### Management’s Responsibility

The Company’s Board of Director is responsible for the preparation of Financial Safety Ratio Report in accordance with the requirements of Circular No. 226/2010/TT-BTC (“Circular 226”) dated 31 December 2010 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations and Circular No. 165/2012/TT-BTC dated 9 October 2012 (“Circular 165”) issued by the Ministry of Finance amending, supplementing some articles of Circular 226, and for such internal control as the Board of Director determines is necessary to enable the preparation of the financial safety ratio report that are free from material misstatement, whether due to fraud or error.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Financial Safety Ratio Report based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for Financial Safety Ratio Report matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Auditor's Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Financial Safety Ratio Report of Eastspring Investments Fund Management Limited Liability as at 30 June 2016 has not been prepared, in all material respects, in accordance with the requirements of Circular No. 226/2010/TT-BTC dated 31 December 2010 and Circular No. 165/2012/TT-BTC dated 9 October 2012 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations.

### **Basis of Preparation and Restriction on Use**

We draw attention to Note 2(a) to the Financial Safety Ratio Report, which describes the basis of preparation. The Financial Safety Ratio Report is prepared to assist the Company to comply with the requirements of Circular No. 226/2010/TT-BTC dated 31 December 2010 and Circular No. 165/2012/TT-BTC dated 9 October 2012 issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organizations referred to above. As a result, the Financial Safety Ratio Report may not be suitable for another purpose. Our report is intended solely for the Company's use for submission to the State Securities Commission and preparation for the required information of Circular 226 and Circular 165 and should not be used for any other purposes.

### **KPMG Limited's Branch in Ho Chi Minh City**

Vietnam  
Audit Review No.: 16-01-241/a



Truong Vinh Phuc  
Practicing Auditor Registration  
Certificate No. 1901-2013-007-1  
*Deputy General Director*

Ho Chi Minh City, 12 August 2016

**Eastspring Investments Fund Management Limited Liability Company**  
**Financial Safety Ratio Report as of 30 June 2016**

No.	Items	Note	30/6/2016
I	Total market risk value (VND'000)	4	-
II	Total settlement risk value (VND'000)	5	7,374,938
III	Total operational risk value (VND'000)	6	19,318,897
IV	<b>Total risk values (IV=I+II+III) (VND'000)</b>		<b>26,693,835</b>
V	Liquid capital (VND'000)	7	68,933,279
VI	<b>Liquid capital ratio (VI=V/IV) (%)</b>		<b>258%</b>

Prepared by

Approved by



Ms. Le Minh Thuy  
*Chief Accountant*



Mr. Tong Cong Cuong  
*Head of Internal Control  
 Department*



Mr. Nguyen Tuan Thên An  
*Chief Executive Officer*

12 August 2016

*The accompanying notes are an integral part of this Financial Safety Ratio Report*

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to the Financial Safety Ratio Report as of 30 June 2016**

These notes form an integral part of and should be read in conjunction with the accompanying Financial Safety Ratio Report.

**1. Reporting entity**

**(a) Ownership structure**

Eastspring Investment Fund Management Limited Liability Company (“the Company”) is a limited liability company licensed and incorporated in the Socialist Republic of Vietnam.

**(b) Principal activities**

The principal activities of the Company are to establish and manage securities investment funds, to give financial consultancy and securities investment consultancy and to provide portfolio management services under Fund Management Establishment and Operation Licence No. 03/UBCK-GPHDQLQ issued by the State Securities Commission of Vietnam on 26 May 2005 and amended on 23 July 2008, 20 November 2008, 15 April 2010, 9 December 2011, 23 March 2012, 26 March 2013 and 12 September 2013 (together referred to as the “Fund Management Licence”).

The total chartered capital amount of the Company as stipulated in the Fund Management Licence is VND25 billion.

As at 30 June 2016, the Company had 23 employees (31/12/2015: 25 employees) of which 1 is management personnel. During the period, 2 employees resigned and no disciplinary action was taken against any of the employees.

As at 30 June 2016, the Company had 12 employees who were qualified for fund and assets management (31/12/2015: 12 employees).

**2. Basis of preparation**

**(a) Statement of compliance**

The Financial Safety Ratio Report has been prepared to assist the Company to comply with the requirements of Circular No. 226/2010/TT-BTC dated 31 December 2010 (“Circular 226”) and Circular No. 165/2012/TT-BTC dated 9 October 2012 (“Circular 165”) issued by the Ministry of Finance regulating financial safety ratios and measures for non-compliance applicable to securities business organisations. Accordingly, the Financial Safety Ratio Report and its utilisation are not designed for those who are not informed about the principles and requirements of Circular 226 and Circular 165 on preparation and presentation of the Financial Safety Ratio Report applicable to securities business organisations in Vietnam. As a result, the Financial Safety Ratio Report may not be suitable for another purpose.



**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

**(b) Underlying financial data**

The Financial Safety Ratio Report is prepared based on the Company's financial data as of and for the six-month period ended 30 June 2016. This Financial Safety Ratio Report should be read in conjunction with the Company's reviewed interim financial statements for the six-month period ended 30 June 2016.

**3. Summary of significant policies adopted in the preparation of the Financial Safety Ratio Report**

The following significant policies have been adopted by the Company in the preparation of this Financial Safety Ratio Report.

**(a) Liquid capital ratio**

The Company's liquid capital ratio is calculated in accordance with the requirements of Circular 226 as follows:

$$\text{Liquid capital ratio} = \frac{\text{Liquid capital}}{\text{Total risk value}} * 100\%$$

in which, total risk value is the aggregate of market risk value (Note 3(c)), settlement risk value (Note 3(d)) and operational risk value (Note 3(e)).

**(b) Liquid capital**

Liquid capital is the capital which can be converted into cash within 90 days, in which allowances and provisions provided in accordance with the prevailing regulations as at the reporting date, are added back to retained profits/(accumulated losses).

Additions to the Company's liquid capital include the following items:

- 50% value of upward revaluations of fixed assets, if any, in accordance with the prevailing regulations;
- All increases in the values of investments, excluding the securities issued by a related organisation of the Company and the securities with the remaining restricted trading period exceeding 90 days at the reporting date;
- Convertible bonds and preference shares issued by the Company with the original terms to maturity of at least five (5) years and registered with the State Securities Commission to supplement the liquid capital; and
- Other debt instruments issued by the Company with the original terms to maturity of more than ten (10) years and registered with the State Securities Commission to supplement the liquid capital.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

Value of items used to supplement the liquid capital is capped at 50% of the Company's equity. For debts convertible to equity and registered with the State Securities Commission to supplement the liquid capital, the Company deducts 20% of original value each year during the last five (5) years before maturity/conversion into ordinary shares and deducts 25% of the remaining value for each quarter in the last four (4) quarters before maturity/conversion into ordinary shares.

Deductions from the Company's liquid capital include the following items:

- Redeemable preference shares and treasury shares (if any);
- 100% value of the downward revaluations of fixed assets, if any, in accordance with the prevailing regulations;
- All decreases in the values of investments, excluding the securities issued by a related organisation of the Company and the securities with the remaining restricted trading period exceeding 90 days at the reporting date;
- Long-term assets and current assets with remaining term to maturity of more than 90 days; and
- Asset items being qualified in the audited financial statements (if any).

When determining the deductions from liquid capital, the Company deducts from the liquid capital an amount equal to the minimum value of the market value of the assets, the book value and the residual value of the obligations (for the assets used as collaterals for the obligations of the Company and third parties) and the minimum value of the market value of the collaterals and the book value (for the assets secured by customers' assets).

**(c) Market risk value**

Market risk value is the value corresponding to the level of loss which may occur if the market value of assets changes unfavourably. Market risk value is determined in accordance with the provisions of Circular 226 as follows:

$$\text{Market risk value} = \text{Net position} * \text{Asset value} * \text{Market risk coefficient}$$

**(i) Net position**

Net position of any securities at a point of time is the quantity of securities currently held by the Company, after deducting the number of securities lent out and adding the number of securities borrowed in accordance with the prevailing regulations.

The market risk value is not determined for following securities and assets:

- Treasury shares;
- Securities issued by a related organisation of the Company;
- Securities with the remaining restricted trading period exceeding 90 days at the reporting date; and
- Matured bonds, debt instruments and money market valuable papers.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

**(ii) Asset value**

Asset value is determined in accordance with principles for determining market value in Circular 226 as follows:

No.	Type of asset	Principles for determining market value
<b>Cash and cash equivalents, money market instruments</b>		
1	Cash in VND	Account balance at the reporting date
2	Foreign currencies	Value converted into VND at the exchange rate of credit institutions authorised for trading foreign currencies at the reporting date
3	Term deposits	Deposit amount plus accrued interest at the reporting date
4	Treasury bills, bank drafts, commercial papers, transferable certificates of deposits, bonds and other discounted money market instruments	Purchase price plus accrued interest at the reporting date
<b>Bonds</b>		
5	Listed bonds	<ul style="list-style-type: none"> <li>➤ Average quoted price from the Stock Exchanges at the latest trading date plus accrued interest</li> <li>➤ If there was no trading in the previous two weeks prior to the reporting date, then market value is the highest value of the followings:               <ul style="list-style-type: none"> <li>+ Purchase price plus accrued interest;</li> <li>+ Par value plus accrued interest; or</li> <li>+ Value determined in accordance with the Company's internal methodology plus accrued interest.</li> </ul> </li> </ul> <p><i>In other words:</i>            Max (Purchase price plus accrued interest; Par value plus accrued interest; Value determined in accordance with the Company's internal methodology plus accrued interest)</p>
6	Unlisted bonds	<p>The highest value of the followings:</p> <ul style="list-style-type: none"> <li>+ Quoted price, (if any), from the quoting system selected by the Company plus accrued interest;</li> <li>+ Purchase price plus accrued interest;</li> <li>+ Par value plus accrued interest; or</li> <li>+ Value determined in accordance with the Company's internal methodology plus accrued interest.</li> </ul> <p><i>In other words:</i>            Max (Quoted price (if any); Purchase price plus accrued interest; Par value plus accrued interest; Value determined in accordance with the Company's internal methodology plus accrued interest)</p>

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

No.	Type of asset	Principles for determining market value
<b>Shares</b>		
7	Shares listed on the Ho Chi Minh City Stock Exchange	<ul style="list-style-type: none"> <li>➤ Closing price at the latest trading date</li> <li>➤ If there was no trading in the two weeks prior to the reporting date, then market value is the highest value of the followings:               <ul style="list-style-type: none"> <li>+ Book value;</li> <li>+ Purchase price; or</li> <li>+ Value determined in accordance with the Company's internal methodology.</li> </ul> <i>In other words:</i>                Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology)             </li> </ul>
8	Shares listed on the Hanoi Stock Exchange	<ul style="list-style-type: none"> <li>➤ Average price at the latest trading date</li> <li>➤ If there was no trading in the two weeks prior to the reporting date, then market value is the highest value of the followings:               <ul style="list-style-type: none"> <li>+ Book value;</li> <li>+ Purchase price; or</li> <li>+ Value determined in accordance with the Company's internal methodology.</li> </ul> <i>In other words:</i>                Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology)             </li> </ul>
9	Shares of public companies registered for UpCom trading	<ul style="list-style-type: none"> <li>➤ Average price at the latest trading date</li> <li>➤ If there was no trading in the two weeks prior to the reporting date, then market value is the highest value of the followings:               <ul style="list-style-type: none"> <li>+ Book value;</li> <li>+ Purchase price; or</li> <li>+ Value determined in accordance with the Company's internal methodology.</li> </ul> <i>In other words:</i>                Max (Book value; Purchase price; Value determined in accordance with the Company's internal methodology)             </li> </ul>

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

No.	Type of asset	Principles for determining market value
10	Shares already custodied but not yet listed and not yet registered for trading	<p>➤ Average price from the quoted prices from at least three securities companies which are not related to the Company at the latest trading date prior to the reporting date</p> <p>➤ If there was not sufficient quoted prices from three securities companies, then market value is the highest value of the followings:            + Quoted prices from securities companies;            + Price of the latest period;            + Book value;            + Purchase price; or            + Value determined in accordance with the Company's internal methodology.</p> <p><i>In other words:</i>            Max (Quoted prices from securities companies; Price of the latest period; Book value; Purchase price; Value determined in accordance with the Company's internal methodology)</p>
11	Shares for which trading has been suspended or delisted shares or shares with trading cancellation	<p>The highest of the followings:            + Book value;            + Par value; or            + Value determined in accordance with the Company's internal methodology.</p> <p><i>In other words:</i>            Max (Book value; Par value; Value determined in accordance with the Company's internal methodology)</p>
12	Shares of organisations which are currently being dissolved or bankrupt	80% of the liquidation value of such shares at the latest balance sheet date, or value determined in accordance with the Company's internal methodology
13	Other shares and capital contribution	<p>The highest of the followings:            + Book value;            + Purchase price/capital contribution amount; or            + Value determined in accordance with the Company's internal methodology.</p> <p><i>In other words:</i>            Max (Book value; Purchase price/capital contribution amount; Value determined in accordance with the Company's internal methodology)</p>

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

No.	Type of asset	Principles for determining market value
<b>Funds/Shares of securities investment companies</b>		
14	Closed-end public funds	<ul style="list-style-type: none"> <li>➤ Closing price at the latest trading date prior to the reporting date</li> <li>➤ If there was no trading in the two weeks prior to the reporting date, then the latest NAV/fund unit prior to the reporting date</li> </ul>
15	Member funds/Open-ended funds/Shares issued in private placement of securities investment companies	Latest Net asset value per one capital contribution unit/fund certificate/share prior to the reporting date
16	Other cases	Value determined in accordance with the Company's internal methodology
<b>Fixed assets</b>		
17	Land use rights etc	Value determined by an independent valuation organisation selected by the Company
18	Building and structures, including construction in progress	Value determined by an independent valuation organisation selected by the Company/ Accumulated costs of construction in progress
19	Machineries, equipments and motor vehicles etc	Net book value of the asset
20	Other fixed assets	Value determined by an independent valuation organisation selected by the Company

**(iii) Market risk coefficient**

Market risk coefficient is determined for each type of asset in accordance with the provisions of Circular 226 as disclosed in Note 4.

**(iv) Increase in market risk value**

The market risk values of assets will be increased if the Company significantly invests in such assets, except for secured underwriting securities, Government bonds and bonds guaranteed by the Government. Market risk value is increased in accordance with the following principles:

- Increase by 10% if the value of any investment accounts for from 10% to 15% of the Company's equity;
- Increase by 20% if the value of any investment accounts for from 15% to 25% of the Company's equity; or
- Increase by 30% if the value of any investment accounts for more than 25% of the Company's equity.

Dividends, coupons, value of privileged rights of securities (if any) or interest receivables from cash and cash equivalents, transferrable instruments and valuable papers are added to the asset values when determining the market risk value.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

**(d) Settlement risk value**

Settlement risk value is the value corresponding to the level of loss which may occur if a counterparty is unable settle obligations or transfer assets on time as committed. Settlement risk value is determined at the end of transaction date or contract date as follows:

- Settlement risk value before the due date for payment/transfer of securities is determined in accordance with following principle:

*Settlement risk before due date:*

$$= \text{Settlement risk coefficient by counterparty} * \text{Value of the asset with settlement risk}$$

The above principle to determine settlement risk value before due date is applicable for following contracts:

- Term deposits at credit institutions, loans to other organisations and individuals;
  - Securities lending contracts and securities borrowing contracts in compliance with laws;
  - Repurchase agreements in compliance with laws;
  - Reverse repurchase agreements in compliance with law;
  - Margin loan contracts in compliance with laws; and
  - Accounts receivable, other receivables and other current assets with settlement risks.
- For underwriting contracts signed with other organisations in an underwriting syndicate in the form of a firm undertaking in which the Company is the lead underwriter, the settlement risk value shall be 30% of the residual value of an underwriting contract for which payment has not been made.
  - For overdue accounts receivable, other receivables and other current assets and securities which are not transferred on time, including securities and cash not yet received from following contracts:
    - Term deposits at credit institutions, loans to other organisations and individuals;
    - Securities lending contracts and securities borrowing contracts in compliance with laws;
    - Repurchase agreements in compliance with laws;
    - Reverse repurchase agreements in compliance with laws; and
    - Margin loan contracts in compliance with laws.

Overdue settlement risk value is determined in accordance with following principle:

*Overdue settlement risk:*

$$= \text{Settlement risk coefficient by overdue status} * \text{Value of the asset with settlement risks}$$

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

**(i) Settlement risk coefficient**

In accordance with the provisions of Circular 226, settlement risk coefficient by counterparty is as follows:

<b>No.</b>	<b>Counterparty</b>	<b>Settlement risk coefficient</b>
1	The Government, issuing organisations guaranteed by the Government or the Ministry of Finance, the State Bank of Vietnam, Governments and Central banks of countries in the OECD, People's Committee of provinces and cities under Central authority	0%
2	The Stock Exchanges, Vietnam Securities Depository	0.8%
3	Credit institutions, financial institutions, and securities companies established in countries in the OECD and with a credit rating satisfying the internal rules of the Company	3.2%
4	Credit institutions, financial institutions, and securities companies established in countries outside the OECD; or established in countries in the OECD but with a credit rating not satisfying the internal rules of the Company	4.8%
5	Credit institutions, financial institutions and securities companies established and operating in Vietnam	6%
6	Other organisations and individuals	8%

In accordance with the provisions of Circular 226, settlement risk coefficient by overdue status is as follows:

<b>No.</b>	<b>Overdue status</b>	<b>Settlement risk coefficient</b>
1	0 - 15 days after the due date for payment/transfer of securities	16%
2	16 - 30 days after the due date for payment/transfer of securities	32%
3	31 - 60 days after the due date for payment/transfer of securities	48%
4	Above 60 days after the due date for payment/transfer of securities	100%

Time for payment/transfer of securities is T+2 (for listed securities), T+1 (for listed bonds), or T+n (for transactions agreed outside the trading system).



**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

**(ii) Value of assets with settlement risk**

➤ *Value of assets with settlement risk in securities borrowing activities, securities lending activities, margin trading activities, and repurchase/reverse repurchase agreements:*

No.	Type of transaction	Value of assets with settlement risks
1	Term deposits and unsecured loans	Total value of the deposits and loans
2	Securities lending	Max {(Market value of the contract – Value of collateral assets (if any)), 0}
3	Securities borrowings	Max {(Value of collateral assets – Market value of the contract), 0}
4	Reverse repurchase agreements	Max {(Contract value calculated in accordance with purchase price – Market value of the contract * (1 – Market risk coefficient)),0}
5	Repurchase agreements	Max {Market value of the contract * (1 – Market risk coefficient) – Contract value based on the selling price),0}
6	Margin loans (lending to customers to purchase securities)/Other arrangements with similar nature	Max {(Outstanding loan balance – Value of collateral assets),0}

Outstanding balance comprises the principal, interest and related fees.

Value of collateral assets is based on the market value. When the market values of collateral assets are not available, market values are determined in accordance with Company's internal methodology.

➤ *Value of assets with settlement risk in securities trading activities:*

No.	Time	Value of assets with settlement risks
<b>A. For the sale of securities transactions (seller is the Company or the Company's customers in brokerage activities)</b>		
1	Before the due date for payment	Nil
2	After the due date for payment	Market value of the contract (if the market value is lower than the transaction price)
		Nil (if the market value is higher than the transaction price)
<b>B. For the purchase of securities transactions (buyer is the Company or the Company's customers in brokerage activities)</b>		
1	Before the due date for securities transfer	Nil
2	After the due date for securities transfer	Market value of the contract (if the market value is higher than the transaction price)
		Nil (if the market value is lower than the transaction price)

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

- *Settlement risk values of overdue accounts receivable, matured bonds and debt instruments are the underlying amounts including par value plus accrued interest and fees, less actual cash previously received, if any.*

**(iii) Deductions from the value of assets with settlement risk**

The Company deducts the value of collateral asset received from counterparties or customers from the value of assets with settlement risk when determining the value of assets with settlement risks if the contracts and transactions meet the following criteria:

- The counterparties or customers have collateral assets to secure for their obligations including cash, cash equivalents, valuable papers, transferable money market instruments, listed securities on the Stock Exchanges, Government bonds, or bonds underwritten by the Ministry of Finance; and
- The Company has the right to control, manage, use or transfer the collateral assets if the counterparties or customers fail to settle the obligations according to the contractual schedules.

Value of collateral assets deducted from the value of assets with settlement risk is calculated as follows:

$$\text{Value of collateral assets} = \text{Asset quantity} * \text{Asset value per unit} * (1 - \text{Market risk coefficient})$$

Asset value is determined in accordance with the provisions of Circular 226 as described in Note 3c(ii).

Market risk coefficient is determined in accordance with the provisions of Circular 226 as disclosed in Note 4.

**(iv) Settlement risk value increase**

Settlement risk values are increased in the following cases:

- Increase by 10% if the value of loans to any organisation or individual and group of related organisations and individuals accounts for from 10% to 15% of the Company's equity;
- Increase by 20% if the value of loans to any organisation or individual and group of related organisations and individuals accounts for from 15% to 25% of the Company's equity; or
- Increase by 30% if the value of loans to any organisation or individual and group of related organisations and individuals, or to any individual and entities related to such individual, accounts for from 25% or more of the Company's equity.

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

**(v) *Netting off value of assets with settlement risk***

The value of assets with settlement risk is netted off if:

- The settlement risk is related to the same counter party;
- The settlement risk arises from the same type of transactions; and
- The netting off is agreed by the parties in writing.

**(e) **Operational risk value****

Operational risk value is the value corresponding to the level of loss which may occur due to a technical or system error, human error during the operations, shortage of capital arising from expenses, losses from investment activities, or other reasons.

The operational risk value of the Company is calculated at the higher of 25% of the operating expenses in the latest 12 month period and 20% of its legal capital.

Operating expenses include all costs incurred during the period after deducting:

- Depreciation and amortisation expenses;
- Allowance for diminution in the value of short-term investments;
- Allowance for diminution in the value of long-term investments; and
- Allowance for doubtful debts.

Eastspring Investments Fund Management Limited Liability Company  
Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)

4. Market risk value

Investment portfolio as of 30 June 2016		Risk coefficient	Risk exposure (VND'000)	Risk value (VND'000)
		(1)	(2)	(3)=(1)*(2)
<b>I.</b>	<b>Cash and cash equivalents, money market instruments</b>		<b>86,499,012</b>	
1.	Cash	0%	11,293,970	-
2.	Cash equivalents	0%	75,205,042	-
3.	Valuable papers and transferable money market instruments	0%	-	-
<b>II.</b>	<b>Government bonds</b>			
4.	Zero-coupon Government bonds	0%	-	-
5.	Government coupon bonds		-	-
5.1	Government bonds, bonds issued by Governments of countries in the OECD or bonds guaranteed by the Government or Central bank of countries in the OECD, and bonds issued by IBRD, ADB, IADB, AfDB, EIB and EBRD	3%	-	-
5.2	Project bonds guaranteed by the Government or the Ministry of Finance with remaining terms to maturity of less than 1 year;	3%	-	-
	Project bonds guaranteed by the Government or the Ministry of Finance with remaining terms to maturity of 1 year up to 5 years;	4%	-	-
	Project bonds guaranteed by the Government or the Ministry of Finance with remaining terms to maturity of 5 years or more	5%	-	-
<b>III.</b>	<b>Corporate bonds</b>			
6.	Listed bonds with remaining terms to maturity of less than 1 year, including convertible bonds	8%	-	-
	Listed bonds with remaining terms to maturity of 1 year up to 5 years, including convertible bonds	15%	-	-
	Listed bonds with remaining terms to maturity of more than 5 years, including convertible bonds	20%	-	-
7.	Unlisted bonds with remaining term to maturity of less than 1 year, including convertible bonds	25%	-	-
	Unlisted bonds with remaining terms to maturity of 1 year up to 5 years, including convertible bonds	30%	-	-
	Unlisted bonds with remaining terms to maturity of more than 5 years, including convertible bonds	40%	-	-

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

Investment portfolio as of 30 June 2016		Risk coefficient	Risk exposure (VND'000)	Risk value (VND'000)
		(1)	(2)	(3)=(1)*(2)
<b>IV.</b>	<b>Shares</b>			
8.	Ordinary shares and preference shares of companies listed on the Ho Chi Minh City Stock Exchange; shares of open-ended funds	10%	-	-
9.	Ordinary shares and preference shares of companies listed on the Hanoi Stock Exchange	15%	-	-
10.	Ordinary shares and preference shares of unlisted public companies registered for UpCom trading	20%	-	-
11.	Ordinary shares and preference shares of public companies which have been registered for depository, but have not been listed or not yet registered for trading; shares of Initial Public Offerings (IPO)	30%	-	-
12.	Shares of other public companies	50%	-	-
<b>V.</b>	<b>Securities investment fund certificates</b>			
13.	Public funds	10%	-	-
14.	Member funds	30%	-	-
<b>VI.</b>	<b>Securities restricted for trading</b>			
15.	Temporary non-trading securities	40%	-	-
16.	Securities with delisting or trading cancellation	50%	-	-
<b>VII.</b>	<b>Other securities</b>			
17.	Shares, capital contribution and other securities	80%	-	-
<b>VIII.</b>	<b>Increased risks (if any)</b>		-	-
<b>TOTAL MARKET RISK (I+II+III+IV+V+VI+VII+VIII)</b>				-

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

**5. Settlement risk value**

I.	Settlement risk before due date as of 30 June 2016	Risk value (VND'000)						Total risk value (VND'000)
		(1)	(2)	(3)	(4)	(5)	(6)	
	<b>Type of transaction</b>							
1.	Term deposits, unsecured loans and receivables from management services	-	-	-	-	4,512,303	1,260,618	5,772,921
2.	Securities lending	-	-	-	-	-	-	-
3.	Securities borrowings	-	-	-	-	-	-	-
4.	Reverse repurchase agreements	-	-	-	-	-	-	-
5.	Repurchase agreements	-	-	-	-	-	-	-
6.	Margin loans (lending to customers to purchase securities)/ Other arrangements with similar nature	-	-	-	-	-	-	-
	<b>Sub-total</b>	-	-	-	-	<b>4,512,303</b>	<b>1,260,618</b>	<b>5,772,921</b>
II.	<b>Overdue settlement risk as of 30 June 2016</b>							
	<b>Overdue status</b>					<b>Risk coefficient (%)</b>	<b>Risk exposure (VND'000)</b>	<b>Risk value (VND'000)</b>
1.	0 - 15 days after the due date for payment/transfer of securities					16%	-	-
2.	16 - 30 days after the due date for payment/transfer of securities					32%	-	-
3.	31 - 60 days after the due date for payment/transfer of securities					48%	-	-
4.	Above 60 days after the due date for payment/transfer of securities					100%	-	-
	<b>Sub-total</b>							
III.	<b>Other increased risks (if any) as of 30 June 2016</b>							<b>1,602,017</b>
	<b>TOTAL SETTLEMENT RISK (I+II+III)</b>							<b>7,374,938</b>

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

- (1) Settlement risk value applicable to the Government, issuing organisations guaranteed by the Government or the Ministry of Finance, the State Bank of Vietnam, Governments and Central banks of OECD countries, People's Committees of provinces and cities under Central authority;
- (2) Settlement risk value applicable to the Stock Exchanges, Vietnam Securities Depository;
- (3) Settlement risk value applicable to credit institutions, financial institutions, and securities companies established in the OECD countries;
- (4) Settlement risk value applicable to credit institutions, financial institutions, and securities companies established outside the OECD;
- (5) Settlement risk value applicable to credit institutions, financial institutions, and securities companies established and operating in Vietnam; and
- (6) Settlement risk value applicable to other organisations and individuals.

**6. Operational risk value**

No.	Items	30/6/2016 VND'000
<b>I.</b>	<b>Total operating expenses for 12 months period ended 30 June 2016</b>	<b>77,362,448</b>
<b>II.</b>	<b>Deductions from total operating expenses</b>	<b>86,861</b>
1.	Depreciation and amortisation expenses	86,861
2.	Allowance for diminution in the value of short-term securities investments	-
3.	Allowance for diminution in the value of long-term securities investments	-
4.	Allowance for doubtful debts	-
<b>III.</b>	<b>Total operating expenses after deductions (III = I - II)</b>	<b>77,275,587</b>
<b>IV.</b>	<b>25% of total operating expenses after deductions (IV = 25% III)</b>	<b>19,318,897</b>
<b>V.</b>	<b>20% of legal capital of the Company</b>	<b>5,000,000</b>
<b>TOTAL OPERATIONAL RISK (=Max {IV, V})</b>		<b>19,318,897</b>

Eastspring Investments Fund Management Limited Liability Company  
Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)

7. Liquid capital

No.	Items	Liquid capital as of 30 June 2016		
		Liquid capital (VND'000)	Deductions (VND'000)	Additions (VND'000)
<b>A.</b>	<b>Equity</b>			
1.	Share capital, excluding redeemable preference shares (if any)	25,000,000		
2.	Capital surplus	-		
3.	Treasury shares	-		
4.	Reserve to supplement share capital	-		
5.	Investment and development funds	-		
6.	Financial reserve	-		
7.	Other equity funds	-		
8.	Retained profits excluding allowances and provisions in accordance with prevailing regulations	50,497,701		
9.	Differences upon asset revaluations (50% of upward revaluation or 100% of downward revaluation)	-		
10.	Foreign exchange differences	-		
11.	Minority interest	-		
12.	Convertible debts			-
13.	Deductions or additions relating to investments		-	-
<b>1A.</b>	<b>Sub-total</b>			<b>75,497,701</b>
<b>B.</b>	<b>Current assets</b>			
<b>I.</b>	<b>Cash and cash equivalents</b>			
<b>II.</b>	<b>Short-term investments</b>			
1.	Short-term investments			
	<i>Securities with market risks as set out in Article 8.2</i>			
	<i>Securities deducted from the liquid capital as set out in Article 5.5</i>		-	
2.	Allowance for diminution in the value of short-term investments			



Eastspring Investments Fund Management Limited Liability Company  
Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)

No.	Items	Liquid capital as of 30 June 2016		
		Liquid capital (VND'000)	Deductions (VND'000)	Additions (VND'000)
<b>III</b>	<b>Accounts receivable - short-term</b>			
1.	Accounts receivable from customers			
	<i>Accounts receivable with remaining terms to maturity of 90 days or less</i>			
	<i>Accounts receivable with remaining terms to maturity of more than 90 days</i>		-	
2.	Prepayments to suppliers		400,727	
3.	Intra-company receivables			
	<i>Intra-company receivables with remaining terms to maturity of 90 days or less</i>			
	<i>Intra-company receivables with remaining terms to maturity of more than 90 days</i>		-	
4.	Accounts receivable from securities trading activities			
	<i>Accounts receivable from securities trading activities with remaining terms to maturity of 90 days or less</i>			
	<i>Accounts receivable from securities trading activities with remaining terms to maturity of more than 90 days</i>		-	
5.	Other receivables			
	<i>Other receivables with remaining terms to maturity of 90 days or less</i>			
	<i>Other receivables with remaining terms to maturity of more than 90 days</i>		-	
6.	Allowance for doubtful debts			
<b>IV.</b>	<b>Inventories</b>		-	
<b>V.</b>	<b>Other current assets</b>			
1.	Short-term prepayments		546,859	
2.	Deductible value added tax			
3.	Taxes and other receivables from the State Treasury			
4.	Other current assets			
4.1.	Advances			
	<i>Advances with remaining terms of 90 days or less</i>			
	<i>Advances with remaining terms of more than 90 days</i>		401,000	
4.2.	Other receivables, other current assets		1,501,196	
<b>1B.</b>	<b>Sub-total</b>			<b>2,849,782</b>

Eastspring Investments Fund Management Limited Liability Company  
Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)

No.	Items	Liquid capital as of 30 June 2016		
		Liquid capital (VND'000)	Deductions (VND'000)	Additions (VND'000)
<b>C.</b>	<b>Long-term assets</b>			
<b>I.</b>	<b>Long-term receivables</b>			
1.	Accounts receivable			
	<i>Accounts receivable with remaining terms to maturity of 90 days or less</i>			
	<i>Accounts receivable with remaining terms to maturity of more than 90 days</i>		-	
2.	Allocated capital at dependent units		-	
3.	Intra-company receivables			
	<i>Intra-company receivables with remaining terms to maturity of 90 days or less</i>			
	<i>Intra-company receivables with remaining terms to maturity of more than 90 days</i>		-	
4.	Other receivables			
	<i>Other receivables with remaining terms to maturity of 90 days or less</i>			
	<i>Other receivables with remaining terms to maturity of more than 90 days</i>		-	
5.	Allowance for doubtful debts			
<b>II</b>	<b>Fixed assets</b>		<b>302,084</b>	
<b>III.</b>	<b>Investment property</b>		-	
<b>IV.</b>	<b>Long-term investments</b>			
1.	Investments in subsidiaries		-	
2.	Investments in associates, joint-ventures		-	
3.	Investment securities			
	<i>Securities with market risks as set out in Article 8.2</i>			
	<i>Securities deducted from the liquid capital as set out in Article 5.5</i>		-	
4.	Other long-term investments		-	
5.	Allowance for diminution in the value of long-term investments			
<b>V.</b>	<b>Other long-term assets</b>		<b>3,412,556</b>	
	Assets being qualified in the audited annual financial statements but not yet included in the deductions pursuant to Article 5		-	
<b>1C.</b>	<b>Sub-total</b>			<b>3,714,640</b>
	<b>LIQUID CAPITAL = 1A-1B-1C</b>			<b>68,933,279</b>

**Eastspring Investments Fund Management Limited Liability Company**  
**Notes to Financial Safety Ratio Report as of 30 June 2016 (continued)**

**8. Approval of the Financial Safety Ratio Report**

The Financial Safety Ratio Report was approved and authorised for issue by the Board of Director on 12 August 2016.

Prepared by

Approved by



Ms. Le Minh Thuy  
*Chief Accountant*



Mr. Tong Cong Cuong  
*Head of Internal Control  
Department*



Mr. Nguyễn Văn Thân An  
*Chief Executive Officer*

12 August 2016

