

REFERENCE GUIDE

A – HOW AVERAGE COST IS CALCULATED AFTER CORPORATE ACTIONS (AS DISPLAYED ON THE “PORTFOLIO MANAGEMENT” SCREEN)

During the investment process, the average cost of a stock may be adjusted downward when the issuing company executes certain corporate actions. Below is a guide on how the average cost is calculated in each specific case:

$$\text{Avg. Cost} = \frac{[\text{Avg. price} * (\text{Available} + \text{Pending matched sell})] + [\text{Avg. price T1, T2} * \text{Quantity T1, T2}] + [(\text{Bonus share/dividend}) * 0] + [\text{Pending rights} * \text{price}]}{[(\text{Available} + \text{Pending matched sell}) + (\text{Buy T1} + \text{Buy T2}) + (\text{Bonus shares/Stock dividend}) + \text{Pending rights}]}$$

1. Stock Dividend / Bonus Shares: The average cost will be adjusted on the ex-rights date.

- **Description:** The company issues additional shares to existing shareholders at a specific ratio.
- **Impact:** Increases the number of shares held, thereby reducing the average cost per share.

Example 1:

- Investor holds 1,000 shares at an average cost of 30,000 VND/share → Total cost: 30,000,000 VND.
- Company pays a 20% stock dividend → Investor receives an additional 200 shares.
→ The new average cost is adjusted downward.

$$\text{New Avg. Cost} = \frac{30.000.000}{1.200} = 25.000đ/cp$$

2. Rights Offering: The average cost will be adjusted on the date MSVN deducts the payment and finalizes the shareholder rights subscription record.

- **Description:** The company grants rights to existing shareholders to purchase additional shares at a preferential price.
- **Impact:** When rights are exercised, total investment value increases and is re-allocated, affecting the average cost.

Example 2:

- Investor holds 1,000 shares at an average cost of 30,000 VND/share.
- Entitled to buy 200 shares at 10,000 VND/share (ratio 5:1).
→ The average cost will be adjusted based on the total new cost and quantity.

$$\text{New Avg. Cost} = \frac{(1.000 \times 30.000) + (200 \times 10.000)}{1.200} = \frac{30.000.000 + 2.000.000}{1.200} = 26.667\text{đ/cp}$$

3. Cash Dividend – No Change to Average Cost

- **Description:** The company pays cash dividends to shareholders at an approved rate.
- **Impact:**
 - No change to average cost.
 - No change to number of shares held.
 - No change to total investment cost.
 - Cash dividend amount is displayed in the “Cash Dividend” column until fully paid.
 - The received amount is transferred to the investor’s account and considered actual investment profit.

🔗 Notes:

- The above calculation methods are based on MSVN’s internal principles for investor reference.
- This information does not constitute investment advice.
- Investors are encouraged to recalculate average cost using personal methods aligned with their own investment strategies.

B – HOW AVERAGE COST IS CALCULATED ON THE “P&L REFERENCE” SCREEN WHEN CORPORATE ACTIONS OCCUR

The average cost shown on the **“Profit & Loss Reference”** screen reflects the cost at the time of selling shares.

Depending on the timing of share bonus recognition in the system, P&L calculations are divided into two phases:

Phase 1 – After Ex-rights Date but Before Bonus Shares/Rights Are Credited to Account

- Bonus shares are not yet added to the balance.
- Realized P&L is calculated based on:
 - Original cost (initial purchase price),
 - Actual number of shares held at the time.
- At this stage, realized profit/loss does not reflect the bonus shares, as the entitlement has not yet been recorded.

Phase 2 – After Bonus Shares/Rights Are Credited to Account

- Bonus shares have been added to the shareholding balance.
- A new average cost is calculated using the moving average (MAVG) method, which now includes the bonus shares.
- If bonus shares are granted without any additional purchase, the adjusted average cost may become 0 VND per bonus share.
- If only rights are granted (no additional purchase), the adjusted cost price = rights subscription price.
- Any sale of shares after this point will calculate realized profit/loss using the new, adjusted average cost.

The result will reflect the accurate investment performance after all entitlements are recorded.

Notes:

- The “Profit & Loss Reference” screen is for informational purposes only, to help investors monitor investment performance.
- This screen does not affect the actual amount received (on sell) or paid (on buy).
- Investors may recalculate average cost based on their own methods, depending on their personal investment strategy.