

## FUND FACTS

<b>Name of the Fund</b>	SSI Sustainable Competitive Advantage Fund
<b>Fund code</b>	SSI-SCA
<b>Nature of the Fund</b>	Open ended fund
<b>Inception date</b>	26/09/2014
<b>Fund size</b>	<b>VND572.81 billion (~USD24.56 million)</b> (As of 31 August 2022)
<b>Fund operating period</b>	Unlimited
<b>Fund Management Company</b>	SSI Asset Management Co., Ltd <a href="https://www.ssiam.com.vn">https://www.ssiam.com.vn</a>
<b>Supervisory Bank</b>	Standard Chartered Bank (Vietnam)
<b>Transfer Agent</b>	Vietnam Securities Depository Centre (VSD)
<b>Distributors</b>	SSIAM, SSI, BVSC, VCBS, ACBS, VNDIRECT, MBS, HSC, VGS
<b>Redemption gate per trading period</b>	10%/ Net Asset Value
<b>Minimum subscription amount</b>	VND500,000 (five hundred thousand)
<b>Expected Return</b>	13% - 15% / year

## FUND PERFORMANCE



	NAV/ Unit (VND)	Performance (%)							
		2016	2017	2018	2019	2020	2021	YTD	Since Inception
SSI-SCA	<b>30,157.56</b>	24.1	38.2	-12.1	3.9	18.6	49.9	-6.3	<b>201.6</b>
VN-Index		14.8	48.0	-9.3	7.7	14.9	35.7	-14.5	<b>111.7</b>

Data as of 31/08/2022, calculated in VND; since inception date 26/09/2014

## INVESTMENT OBJECTIVES

The Fund pursues long-term capital appreciation and regular return through investment in companies with sustainable competitive advantages and fixed income assets.

The Fund shall apply active investment strategy, focusing on listed securities of companies with sustainable competitive advantages, high market share, good corporate governance, healthy financial conditions, good capabilities of operation in disadvantageous market conditions and attractive valuation compared with the potential growth in the future of the company.

The Fund shall also invest in fixed income securities with high credit rating to preserve capital and bring stable income for the Fund.

## FEES

**Subscription Fee (depends on the total subscription amount)**

From VND 1 million to VND 1 billion	0.75%
> VND 1 billion to VND 10 billion	0.50%
> VND 10 billion	0.25%

**Redemption Fee (depends on the fund units holding period)**

Holding period below 12 months	1.25%
Holding period 12 - 24 months	0.75%
Holding period above 24 months	Free

**Switching fee**

Free

**Transfer fee**

Free

## FUND MANAGEMENT COMPANY

SSI Asset Management Company Ltd. (SSIAM)

1C Ngo Quyen, Hoan Kiem District, Hanoi, Vietnam

Email: [ssiam@ssi.com.vn](mailto:ssiam@ssi.com.vn)

Website: <http://www.ssiam.com.vn>

## FUND MANAGERS

**Bui Van Tot, CFA**

Portfolio Manager

E: [totbv@ssi.com.vn](mailto:totbv@ssi.com.vn)

**Nguyen Xuan Quynh**

Portfolio Manager

E: [quynhnx@ssi.com.vn](mailto:quynhnx@ssi.com.vn)

## Macro Outlook in August 2022

**Vietnam's economy maintains positive outlook in August 2022:** clearly reflected in the growth of industrial production, retail, export and public investment. Industrial production grew strongly as the IIP increased by 15.6% over the same period (2.9% MoM). PMI also showed production expansion expectations, exceeding 50 points for the 11th consecutive month, with an improvement in the number of new orders from both domestic and international customers.

**Import and export data shows similarity** as the value increased by 22.1% and 12.4% respectively over the same period. In the month, the trade balance recorded a surplus of up to 2.4 billion USD – the highest monthly surplus since December 2021 and raised the trade balance in the first 8 months to a surplus of nearly 4 billion USD.

**Retail growth remains a bright spot** with total retail sales and consumer services estimated to increase by 50% YoY in August thanks to improved domestic demand. The pressure on commodity prices has somewhat cooled down when fuel prices in the month were adjusted down sharply. Increasing minimum wage level since the beginning of July has also positively affected the level of domestic consumption.

The accumulated total state budget revenue in the first 8 months of the year is estimated to increase by 19.4% over the same period, while the accumulated budget expenditure only increases by 4.2%. This, in addition to good macroeconomic control, would create a solid foundation for active public investment disbursement and improvement in short and long-term GDP.

**Inflation quickly cooled down in August thanks to lower gasoline and oil prices.** As a result, the 8-month average inflation rate was controlled at 2.6% - much lower than the Government's target of 4%, allowing the SBV to balance its macro economic objectives using more flexible monetary policy.

**The pressure on the exchange rate remains relatively significant** as the USD maintains its strength with the DXY index rising to its highest level in the past 20 years. In fact, by the end of August, the USD/VND interbank rate only increased by 0.4% compared to the end of July thanks to SBV's regulatory measures. In August, despite the positive information related to the supply of foreign currency (trade balance in August was estimated to have a surplus of 2.4 billion USD), the VND exchange rate stays under pressure as we do not exclude the possibility that the SBC may have to continue to adjust the USD selling rate. Yet, the exchange rate movement on the free market remains relatively stable and the spread, narrowing the spread with the secondary market.

## Securities market in August 2022

**VN-Index (VNI) reached the highest level in 11 weeks.** Maintaining the uptrend since the end of July, the VNI has touched 1,295 points - the highest level in 11 weeks on August 26 (the highest level in the trading session).

**The reference level of 1,206.33 points of the VNIndex was maintained throughout August.** At the last trading session of the month, the VNIndex reached 1,280.51 points, an increase of 74.18 points (+6.15%) compared to the previous month. The recovery took place on a large; specifically, the VN30 index increased by 5.64%, the VNMidcap index increased by 5.47% and the VNSmallcap index increased by 6.69%. Calculated from the beginning of the year and compared to the trading sessions in the first two weeks of July, the reduction in indexes have significantly been narrowed. Specifically, the reduction in VNIndex, VN30, VNMidcap and VNSmallcap have been decreased to -14.5%, -15.25%, -22.5%, -27% respectively.

**Cashflow improvement was also evidenced by improving liquidity across all industry sectors.** The two industries with large capitalization proportion, Banking and Real Estate, saw their turnover increase by 20.3% and 28.4% respectively over the previous month. Port & Shipping saw the lowest increase in liquidity, at 16% while Sugarcane observed the highest rate, at 122%. Compared to the previous month, industries such as Steel (+76.6%), Oil & Gas (+45%), Securities (+39%), Industrial Park (+76%) , FMCG (+49%), Retail (+32%), Natural Rubber (+70.8%) observed more active trading sessions.

**In terms of market sentiment, we see investors gradually moving from defensive investing to risk acceptance in the past month.** This is evidenced by positive market expectation of Banking sector's credit room expansion, improvement in Energy sector as oil prices show signs of increase, Securities group with new settlement cycle T+2, significant growth in Consumer sector in the last few months of the year despite the remaining risks posed by inflation, contractionary monetary policy at major central banks and China's "Zero covid".

Foreign investors returned with a net purchase of +1.1 trillion VND on HOSE. In the net buying group, we saw the appearance of many financial stocks such as SSI (+646 billion dong), HDB (+453 billion dong), STB (+345 billion dong), CTG (+328 billion dong), FTS (+168 billion dong), SHB (+162 billion dong), besides other large-cap stocks like PVD (+471 billion dong), HPG (+358 billion dong), VNM (+280 billion dong). Notably, HPG stock had the first net buying month after 12 consecutive months of net selling. The proportion of foreign investors' transactions in August reached 7.7%, a slight decrease compared to 7.9% in July and is on a downward trend due to the increasing transactions from the domestic investors.

## Investment thesis - September 2022

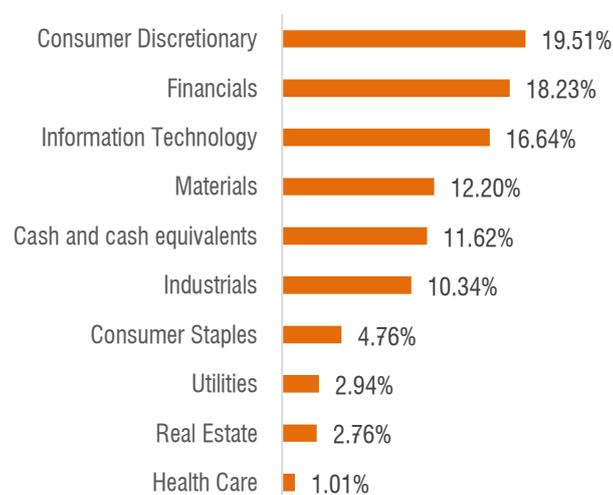
Contrary to the worldwide concerns of a possible economic recession, the domestic macro information continues to suggest the opposites: the economic data in August was more positive than expected with inflation remains under control, making the GDP target of 7.0% become more achievable (equivalent to 7.5% increase in the second half of 2022). Production will continue to be supported by the export sector while domestic consumption is expected to maintain its positive momentum. Besides, we also expect strong 3Q2022 profit growth from the banking sector, mostly due to the low 3Q2021 profit base when the 3rd wave of Covid-19 broke out. ACB and VCB are the two stocks we consider including in our portfolio in the upcoming month.

We forecast the stock market in September will continue to fluctuate within a narrow range due to the mixed impacts of both positive and negative factors. Despite the gloomy global outlook, Vietnam's economy continues to show a persistent recovery, with the VND depreciate less than other regional currencies such as Thailand, the Philippines, Malaysia, and Indonesia. Thus, we expect foreign cash inflow will maintain its trend in August. Banking, Food & Beverage, Retail, Oil and gas will alternately support VNIndex to conquer 1,300-point target in September. Meanwhile, the equity market might continue to experience seesaw movements due to escalating global economic and geopolitical tensions from Fed rate hike, China's "Zero covid" and Russia-Ukraine war. The Fed may announce another rate hike at its meeting on September 20-21; yet, we believe this has already been reflected in the market.

We will continue to focus on stocks with growth prospects in Q3/2022 and in the last 6 months of 2022 and increase their weight in our portfolio when the VNIndex convincingly surpasses the resistance level of 1,285 points or moved closely back to the support level of 1,250-1,220 points.

For the 3rd quarter of 2022, we are optimistic about the growth prospects of listed companies given the relatively low comparison basis (3Q2021) due to the COVID-19 lock-down event, maintaining the positive market sentiment and contributing towards VN-Index's valuation. *(As of the end of August, the VN-Index's sliding P/E index reached 13.7 times, an attractive level compared to Indonesia's JCI of 15.9 times, Thailand's SET of 16.7 times and the Philippines' PCOMP of 17.0 times)*

## ASSET ALLOCATION BY SECTORS (% NAV)



## TOP HOLDINGS AS OF 31/08/2022

Stock	Company Name	Sector	% NAV
FPT	FPT Corp	Information Technology	16.64%
MWG	Mobile World Investment Corp	Consumer Discretionary	15.25%
HPG	Hoa Phat Group JSC	Materials	6.37%
QNS	Quang Ngai Sugar JSC	Consumer Staples	4.72%
MBB	Military Commercial JSB	Financials	4.67%

## TRADING OVERVIEW

**Dealing date:** Every Working day (Day T)

**Cut-off time:** 3:00 pm on Day T-1

**Trading confirmation:** Day T+1

### Determine NAV

Day T-1	Day T	Day T+1	Day T+2
3:00 pm: Cut-off time	Fund Certificates Dealing Date	Receive the trade confirmation	Redemption payment

#### SUBSCRIPTION ORDER

Subscription amount Minimum VND 500,000 (not including transfer fee)

Cut-off time Cut off time to submit subscription/ redemption orders to Distributor: 3:00 pm on Day T-1.  
Cut off time to make fund transfer: 5:00 pm on Day T-1.  
If subscription payment is transferred from bank account of others not investor, the valid documents of payment confirmation must clearly state full name, SSI-SCA trading account, and payment amount of the beneficiary.

Money transfer Account name: **SSISCA**  
Bank: **Standard Chartered Bank (Vietnam) Ltd**  
Number account: **90275350205**  
Description: **[Name] [Account Number] buy SSISCA**

Confirmation of money transfer SSIAM will send the confirmation of money transfer to investors within 01 working day from the date the money is credited to the Fund.

Trade Confirmation Distributor will provide investors with the Trade Confirmation within 01 working days from the Dealing Date.

#### REDEMPTION ORDER

Trade Confirmation Distributor will provide investors with the Trade Confirmation within 01 working days from the Dealing Date.

E.g.: Trading day is Tuesday, investors will be received the Trade Confirmation on Wednesday.  
Redemption payment Redemption payments (after tax and fees) shall be made directly to Investors' bank accounts within two (02) days from the Dealing Date.

#### SWITCHING ORDER

Investor can place switching orders between SSIBF, SSI-SCA and VLG Fund managed by the Fund Management Investor can choose to switch a portion or their entire outstanding Fund Units.

#### TRANSFER ORDER

Non-commercial transactions for an institution/individual shall be executed at Distributors and Investor must pay all the applicable fees and taxes related to the non-commercial transfer according to applicable regulations.

Details on transfer order shall be advised by SSIAM

## DISCLAIMER

Investors should carefully read the Prospectus, Fund Charter and relevant documents before making investment decisions and pay attention to fees when trading fund certificates.

Please update us as soon as possible on any change of the Investor's information in the Part A of the Investor Profile provided to SSIAM.

Fund certificates are not certificates of deposits, negotiable instruments or valuable papers as prescribed in the banking sector, fixed income assets or guaranteed investment income assets.

The price of fund certificates may fluctuate according to market movements and investors may incur losses on their initial investment given unfavorable market conditions. This document should not be used for the purpose of accounting and tax recording or to make investment decisions. Please note that the past performance of investments is not necessarily indicative of future performance. The NAV per unit and the Fund's income can increase or decrease and could not be guaranteed by SSIAM. Investors should do their own research and/or consult experts' advices to make appropriate investment decisions.