

# MUTUAL FUND SSI-SCA

## 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>VND713.53 billion (~USD30.84 million)</b> (As of 31 October 2021)
<b>Fund operating period</b>	Unlimited
<b>Fund Management Company</b>	SSI Asset Management Co., Ltd <a href="https://www.ssi.com.vn">https://www.ssi.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>	VND2,000,000 (two million)
<b>Expected Return</b>	13% - 15% / year

## FUND PERFORMANCE



	NAV/ Unit (VND)	Performance (%)							
		2015	2016	2017	2018	2019	2020	YTD	Since Inception
SSI-SCA	<b>31,917.15</b>	17.7	24.1	38.2	-12.1	3.9	18.6	48.6	<b>219.2</b>
VN-Index		6.1	14.8	48.0	-9.3	7.7	14.9	30.8	<b>137.9</b>

Data as of 31/10/2021, 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

<b>Switching fee</b>	Free
<b>Transfer fee</b>	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)

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## FUND MANAGERS

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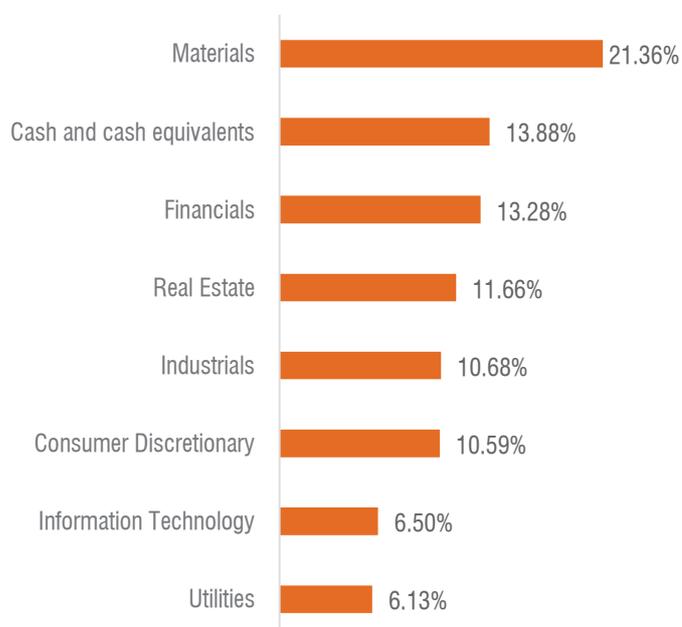
## FUND COMMENTARY

VNIndex closed at an all-time high of 1,444.27 in the month (+7.6% MoM). Despite the negative macro data in Q3, the market saw an immediate positive reaction as soon as the economy reopened along with the controlled epidemic situation in Ho Chi Minh City. HOSE's average daily liquidity reached nearly VND21,900 billion (+3.7% MoM). Cash flow was spread in all large, medium, and small cap groups, as this was reflected in the trading value of VN30 which increased by 4% MoM, VNMid by 1% MoM and VNSmall by 8% MoM. Foreign investors continued their net selling momentum in October 2021 with net selling amount of about VND9,000 billion, bringing the YTD accumulative net selling value to a new record of VND48,744 billion. This net selling activities mainly came from active investors rather than passive investors who invest in ETFs. Thus, the cash inflow into buying stocks primarily came from domestic investors, such as prop trading of securities companies who maintained their buying momentum for 2 months consecutively, bringing the YTD accumulative net buying value of VND854 billion.

In terms of sectors, what's special in October is that there were no lagging industries on HSX and HNX. The 4 sectors that saw double-digit growth in the past month were Electricity, water and petroleum (+20.7%), Construction and Materials (+15.3%), Chemicals (+13.5%), and Real Estate (12.42%). Outstanding stocks include GAS, DIG, HDC, NLG, DPG,... These sectors with strong growth all have supporting narratives: (1) oil and gas prices increase as demand for shipping, transportation and winter heating increase, (2) prices of chemicals, urea, and NH3 continue to increase globally as production resumes along with supply chain disruptions due to China's restrictive export policies, (3) real estate businesses record profits from other activities and plan to raise capital, pledge shares for bond issuance as well as real estate wave prospects at the periphery region.

It can be seen that the market in October strong reflects economic growth expectations for Q4/2021. Despite divergent earnings results, especially for sectors closely related with domestic consumption were adversely affected, most stocks traded at multiples of 1.5-2x the 3-5-year average level. VNIndex's PE as of October 29<sup>th</sup>, 2021 is 16.8x, which is quite reasonable in our opinion. SCA's holdings have all achieved very good returns and are in line with our forecast and expectations. New opportunities are being reviewed for 2022 going onwards. There are 2 risks that we are monitoring closely: (1) the amount of margin in the market, which focuses on small and medium cap stocks, is at a very high level and (2) inflationary pressure on fiscal and monetary policies.

## ASSET ALLOCATION BY SECTORS (% NAV)



## TOP HOLDINGS AS OF 31/10/2021

Stock	Company Name	Sector	% NAV
HPG	Hoa Phat Group JSC	Materials	12.42%
MWG	Mobile World Investment Corp	Consumer Discretionary	10.59%
VHM	Vinhomes JSC	Real Estate	8.32%
FPT	FPT Corp	Information Technology	6.50%
TCB	Techcombank JSC	Financials	4.16%

## 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
<b>SUBSCRIPTION ORDER</b>			
Subscription amount	Minimum VND 2 million (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: <b>SSISCA</b> Bank: <b>Standard Chartered Bank (Vietnam) Ltd</b> Number account: <b>90275350205</b> Description: <b>[Name] [Account Number] buy SSISCA</b>		
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.		
<b>REDEMPTION ORDER</b>			
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.		
<b>SWITCHING ORDER</b>			
Investor can place switching orders between SSIBF and SSI-SCA Fund managed by the Fund Management Investor can choose to switch a portion or their entire outstanding Fund Units.			
<b>TRANSFER ORDER</b>			
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.