

MUTUAL FUND SSI-SCA

FUND FACTS

Name of the Fund	SSI Sustainable Competitive Advantage Fund
Fund code	SSI-SCA
Nature of the Fund	Open ended fund
Inception date	26/09/2014
Fund size	VND678.35 billion (~USD29.31 million) (As of 31 December 2021)
Fund operating period	Unlimited
Fund Management Company	SSI Asset Management Co., Ltd https://www.ssi.com.vn
Supervisory Bank	Standard Chartered Bank (Vietnam)
Transfer Agent	Vietnam Securities Depository Centre (VSD)
Distributors	SSIAM, SSI, BVSC, VCBS, ACBS, VNDIRECT, MBS, HSC, VGS
Redemption gate per trading period	10%/ Net Asset Value
Minimum subscription amount	VND500,000 (five hundred thousand)
Expected Return	13% - 15% / year

FUND PERFORMANCE



	NAV/ Unit (VND)	Performance (%)							
		2015	2016	2017	2018	2019	2020	2021	Since Inception
SSI-SCA	32,195.17	17.7	24.1	38.2	-12.1	3.9	18.6	49.9	222.0
VN-Index		6.1	14.8	48.0	-9.3	7.7	14.9	35.7	144.4

Data as of 31/12/2021, 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

Switching fee	Free
Transfer fee	Free

FUND MANAGEMENT COMPANY

SSI Asset Management Company Ltd. (SSIAM)

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FUND MANAGERS

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VN-Index closed the year at 1,498 points, marking a 1.3% growth in December 2021 and 35.7% for the whole of 2021. While this is not the best historical gain, it is enough to put Vietnam's stock market among the top 7 of the world's fastest growing stock indices in 2021. VN-Index set a record in terms of points and liquidity since its inception. Average liquidity per session amounts to more than VND 26,000 billion. If we take into account only the matched trading value, then the average daily trading value is about VND19,000 billion, 3 times higher in comparison to 2020. With the milestones achieved in 2021, the market capitalization and liquidity of Vietnam's stock market inched closer to or even higher than those of regional markets including Indonesia, Malaysia, Singapore, and the Philippines.

The strong participation of new retail investors, commonly referred to as "F0 investors" today, marked major milestone to the stock market. The total number of newly opened accounts in 2021 is estimated to be more 1.5 million accounts, 1.5 times higher than the sum of new accounts opened in 2017; 2018; 2019 and 2020 combined, of which the peak stood at more than 226,000 accounts in December 2021. This group is very active and is the main driving force to support the market in 2021 when foreign investors and prop trading of securities companies net sold with a value of about VND 62,000 billion and more than VND 3,000 billion, respectively. The trading rate of retail investors throughout 2021 has remained above 80% - 88% of total trading volume. In parallel with the increased trading value of domestic retail investors, the margin lending rate also grew significantly, 1.6 times higher than in 2020 and reached more than VND144,000 billion. The fact that domestic retail investors heavily allocate assets to the stock market also supports small and medium-cap stocks greatly. The market capitalization proportion of small-cap stocks VNSML and mid-cap VN MID has increased sharply in 2021 from 3% to 6% and 10% to 16%, respectively.

In terms of sectors, the leading ones in 2021 that are worth mentioning are Securities (166%), Chemicals (147%), Real Estate (121%), Textiles (85%), Industrial and Materials (63%). It is easy to see that the Securities sector is the most prominent with favorable stock market movements. The Chemicals and Industrial & Materials group mostly benefited from the increase in basic commodity prices due to limited supply that resulted from supply chain disruptions and China's policies to clean up the environment. The Real Estate group really exploded from 2H2021 thanks to the expected acceleration of public investment disbursement in infrastructure projects from 2022 and a bit of positive influence from the record auction in Thu Thiem area in December. In general, although earnings (as of 9M2021) diverged between sectors, but with such cash inflow into the market, the stock price increases largely came from investors' acceptance of higher valuations as opposed to a thorough assessment of earnings' quality.

We believe that the market in 2022 still has a chance for upward trend but will be quite volatile. Comparing 2021's liquidity level with the past periods from 2014 until now, we find that liquidity has increased 4-5 times in comparison to the 2016 - 2017 and 2019 periods (the 2 periods when market P/ E is around 17.x similar to today's level). Cash flow into the market has reached a new milestone but market valuation has not yet jumped. Besides, large-cap stocks as represented by VN30 did not grow as much as the group of small and medium-cap stocks while about one-third of enterprises were "forgotten" as profits have yet to recover in the post Covid-19 period. This implies that opportunities as well as cash flow may gear towards large-cap stocks in 2022. This is also quite reasonable when in the past, large-cap stocks always played a leading role when the index wanted to increase further. Favorable factors for the market in 2022 can be mentioned such as (1) Vietnam's economy in recovery momentum with economic stimulus packages taking place in 2 years 2022 - 2023, (2) the participation of F0 investors. In terms of risks, it can be mentioned that (1) interest rates will be higher than 2021 in the face of inflationary pressures and the tendency of central banks to narrow down the general expansionary monetary policy of central banks around the world, (2) probability of infection for new virus strains that are resistant to vaccines. In general, the market will certainly be more sensitive and volatile to negative information when the valuation ground for individual stocks is much higher than in 2021. Therefore, with the above assessments, our SCA fund will keep a certain proportion of large-cap stocks and continue to look for opportunities in sectors with bright prospects, especially strong recovery after the recent outbreak.

Figure 1: VNIndex and PE

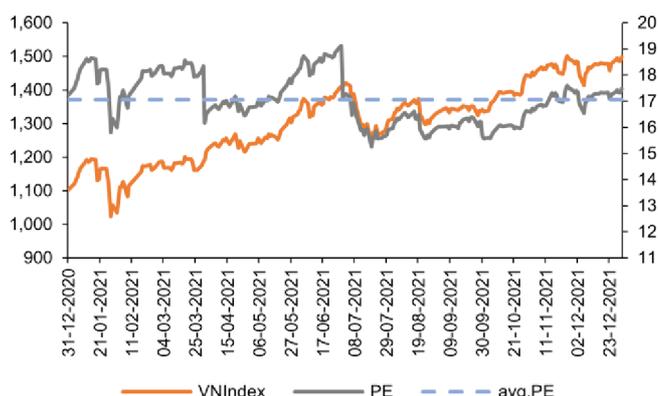


Figure 2: Newly opened accounts

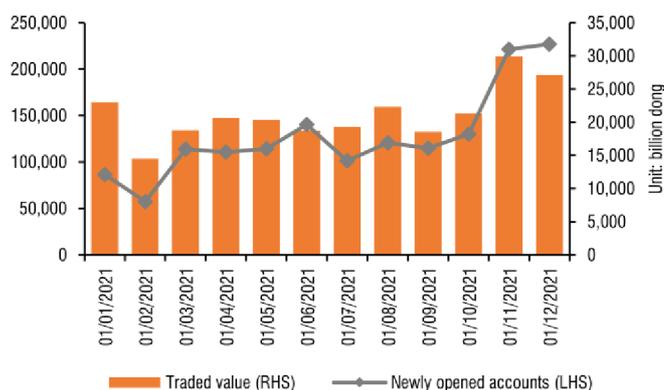


Figure 3: Trading value weight of investor groups

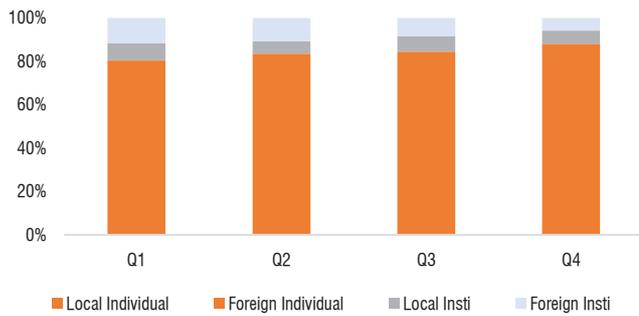


Figure 4: Trading value per account of domestic investors (Unit: million dong)

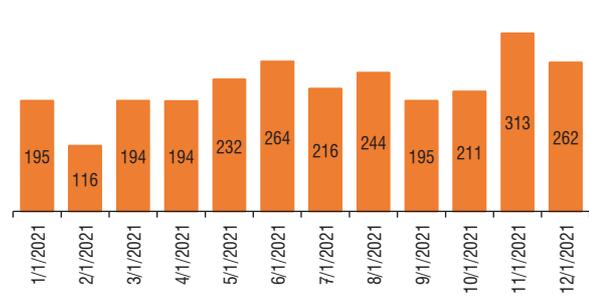


Figure 5: Foreign investors trading value (accumulated)



Figure 6: Prop trading value (accumulated)

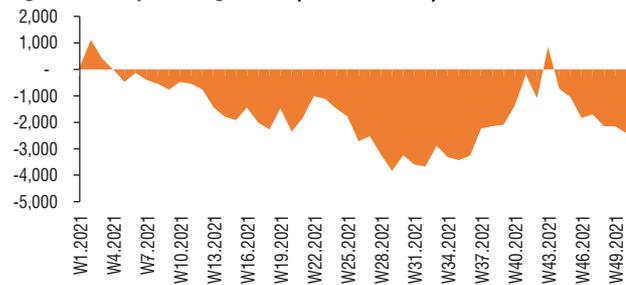
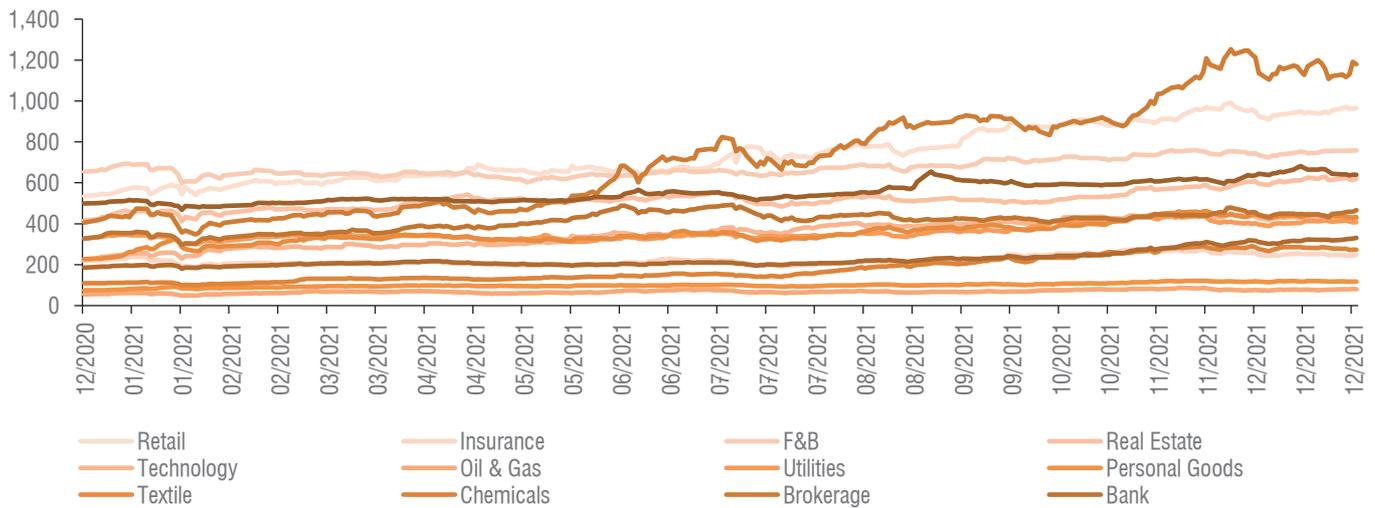
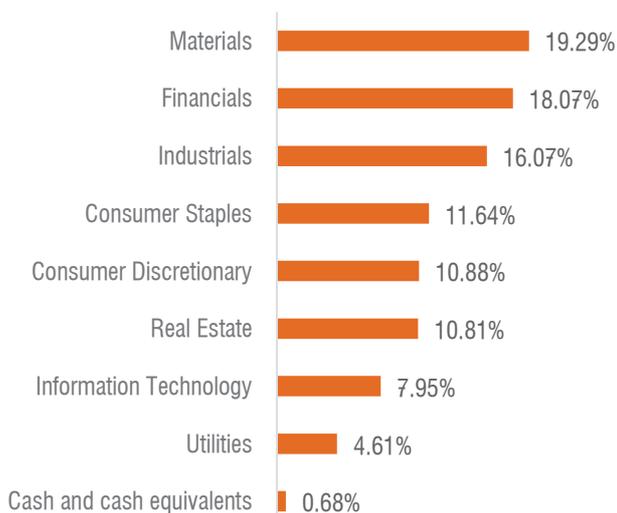


Figure 7: Sector growth in 2021



Source: Bloomberg, FiinPro, VSD, SSIAM

ASSET ALLOCATION BY SECTORS (% NAV)



TOP HOLDINGS AS OF 31/12/2021

Stock	Company Name	Sector	% NAV
MWG	Mobile World Investment Corp	Consumer Discretionary	10.88%
HPG	Hoa Phat Group JSC	Materials	9.95%
VHM	Vinhomes JSC	Real Estate	8.36%
FPT	FPT Corp	Information Technology	7.95%
VNM	Vietnam Dairy Products JSC	Consumer Staples	4.85%

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 and SSI-SCA 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.