

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	VND635.86 billion (~USD27.86 million) (As of 28 February 2022)
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 (%)							Since Inception
		2016	2017	2018	2019	2020	2021	YTD	
SSI-SCA	32,108.93	24.1	38.2	-12.1	3.9	18.6	49.9	-0.3	221.1
VN-Index		14.8	48.0	-9.3	7.7	14.9	35.7	-0.5	146.3

Data as of 28/02/2022, 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)

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Portfolio Manager

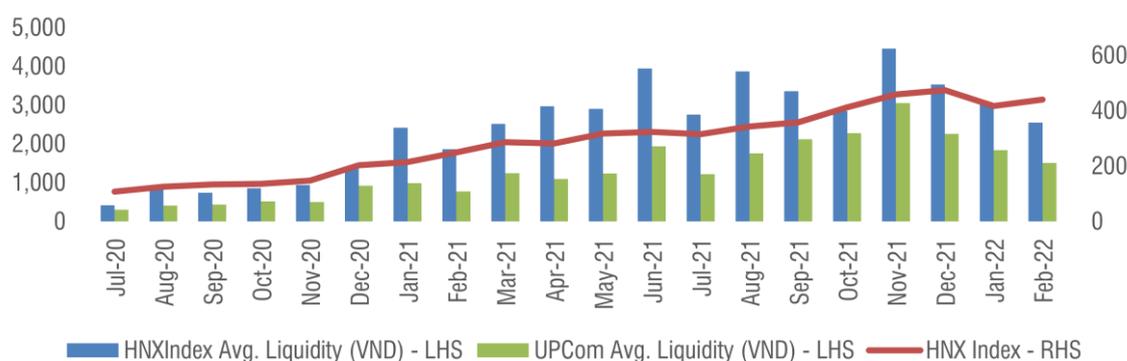
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FUND COMMENTARY

If one were to look on the surface of VNIndex's 0.77% return in Feb (vs. -1.20% in Jan), they would only see a half truth. Beneath the calm was a not-so-silent storm of something akin to a guerilla revolution – mid- and small-cap proved resilient and recovered partly after Jan's steep correction (+5.59% and +13.14% in Feb respectively, compared to -9.26% and -14.74% in Jan), while VN30 fell almost 1% and underperformed broad index. The performance divergence is once again a captivating story of retail investors' behaviors and their appetite for risks, particularly in mid and small cap, while blue chips VN30 continued to remain out of favor.

If one were to take a closer look at liquidity, the story is even more illuminating: despite the partial recovery in stocks performance, mid- and small-Cap liquidity remains weak, with total value traded in HNX and UpCom in Feb deteriorated to just about half of Nov'21 peak, or -17% lower vs. Jan from a sequential perspective. One can argue that we are not yet seeing an entirely convincing sense of newfound optimism and a fully risk-on approach across in mid- and small-cap, as evident by investors remained cautious by staying on the side-line with weak liquidity. However, I think that the relatively good recovery in mid- and small-cap performance in Feb despite the lack of market participation illustrates the segment's resiliency; traders who were willing and able to step in to catch a falling knife in Feb were paid off handsomely with a healthy return, and we are thus positing that this will likely be an encouraging indicator for retail investors to return.

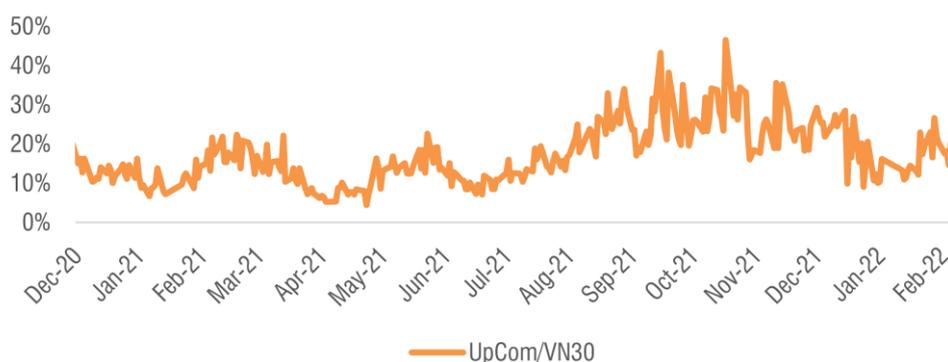
HNX & UpCom avg. liquidity (VND bln)



(Sources: HNX, UpCom, SSIAM)

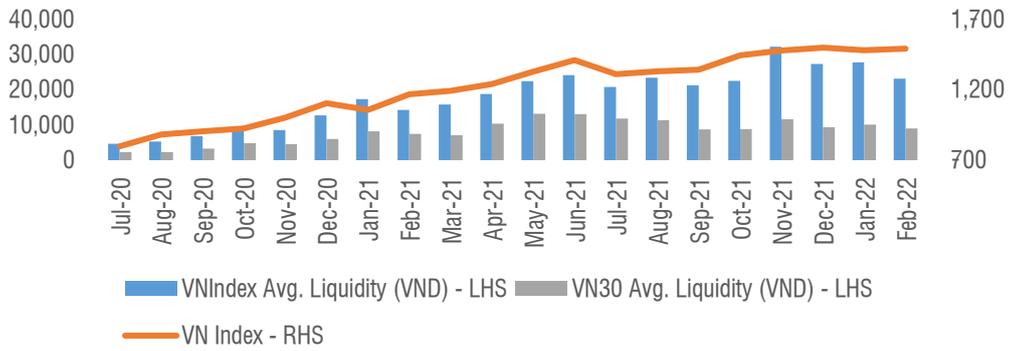
Particularly, in term of Liquidity distribution on a relative basis, we see an increase in the ratio of total value traded in UpCom vs. VN30 picking up from the 10% low in Jan to 20-25% in some trading sessions in Feb. If there were something I learned after many years in the market, it is that market has short term memory, and pain would quickly be forgotten for euphoria to take on the reign again. As the analyses show, I'd suspect that momentum may continue for a stronger recovery upwards in the coming weeks and money flow to come back to the most speculative corners of the market. As much as I dislike to admit, this is likely going to be the trend given retail investors' unyielding appetite for risks.

Liquidity Distribution - UpCom vs. VN30



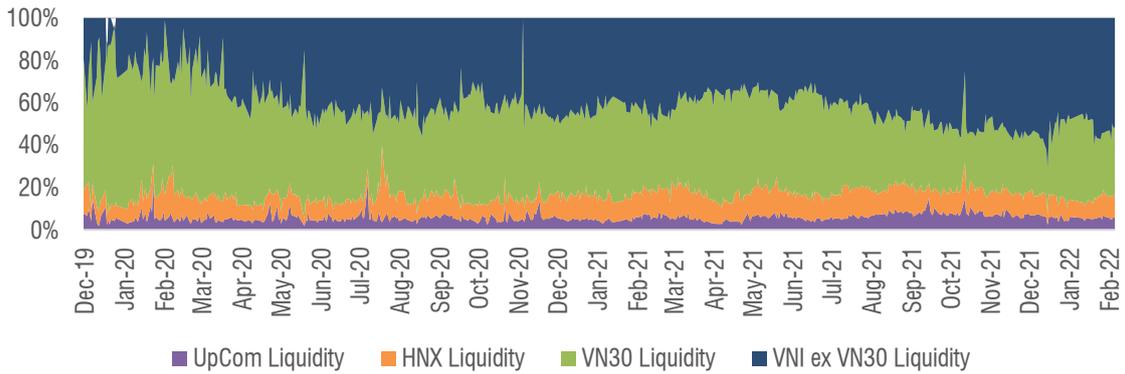
(Sources: HSX, UpCom, SSIAM)

VNIndex & VN30 avg. liquidity (VND bln)



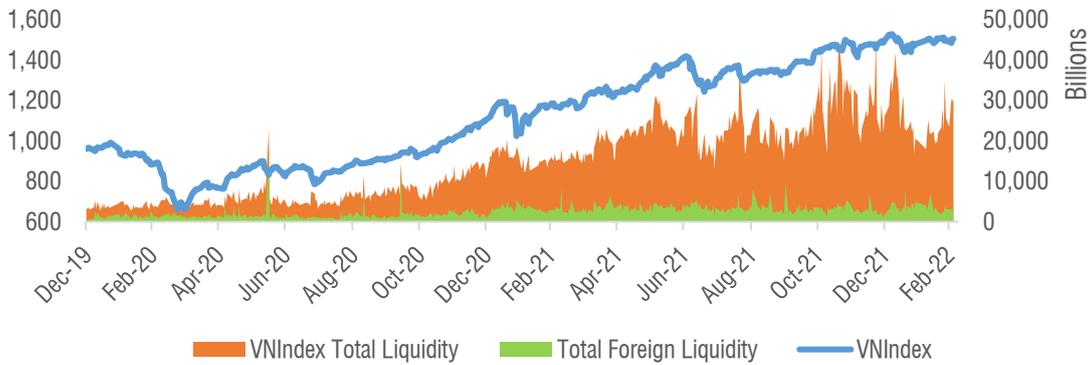
(Sources: HSX, SSIAM)

Liquidity Distribution



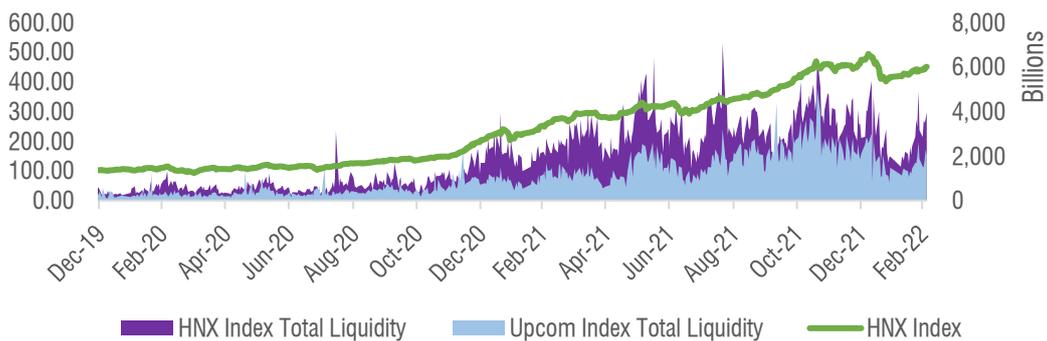
(Sources: HSX, HNX, UpCom, SSIAM)

VNIndex & Total Liquidity (VND)



(Sources: HSX, SSIAM)

HNX Index & Total Liquidity (VND)



(Sources: HNX, UpCom, SSIAM)

On the other hand, with quality assets being unfavored as evident by the lack of retails' enthusiasms in VN30, we continue to assert that phenomenon continues to provide opportunities to accumulate value for investors with long-term strategic vision in Vietnam's economic outlook, as VN30, not small cap, will have to be the driver of broad market performance in 2022. In our view, we re-iterate that nothing has changed in the structural story of Vietnam's market with healthy earning outlook in 2022 and forward p/e at 10.7x, indicating a very reasonably cheap valuation. We thus continue to assert that our fund is a value buy for investors with a long-term outlook in Vietnam.

	1m	3m	6m	YTD	1Y	2Y	3Y	5Y
VNIndex	0.77%	1.12%	12.62%	-0.44%	29.03%	31.91%	17.51%	18.16%
VN 30	0.98%	1.14%	6.60%	-1.11%	30.31%	36.41%	20.11%	19.78%
VN 50	0.70%	3.05%	7.29%	-3.78%	32.27%	37.66%	21.22%	
VN 100	0.55%	-0.29%	11.18%	-1.99%	34.06%	38.62%	20.81%	19.97%
Mid Cap	5.59%	3.13%	27.99%	-4.18%	56.59%	61.04%	31.72%	22.68%
Small Cap	13.14%	0.98%	36.18%	-3.54%	85.01%	76.96%	44.30%	26.79%
VN Finlead	-1.80%	4.91%	14.54%	3.48%	50.67%	50.51%		
VN Diamond	1.64%	3.53%	15.17%	2.46%	46.39%	45.62%		
MSCI Frontier	-4.40%	-6.39%	-5.97%	-7.77%	9.99%	9.27%	7.86%	6.56%
MSCI Emerging	-3.01%	-2.98%	-9.70%	-4.85%	-10.44%	10.54%	6.37%	7.34%
Thailand	2.58%	7.83%	3.81%	2.04%	16.00%	15.52%	3.82%	4.77%
Indonesia	3.88%	5.66%	12.58%	4.69%	12.85%	14.81%	4.74%	7.49%
Malaysia	6.47%	6.50%	2.42%	2.72%	6.16%	8.00%	1.54%	2.34%
Philippines	0.30%	1.54%	-7.48%	1.97%	-3.71%	-0.10%	-4.66%	-0.43%
Shanghai	3.00%	2.85%	-2.17%	-4.88%	0.79%	12.09%	8.03%	3.65%
Taiwan	0.13%	1.43%	1.40%	-3.10%	13.57%	28.78%	23.48%	16.72%
Korea	1.35%	3.74%	-14.46%	-9.35%	-8.86%	18.89%	9.33%	7.39%
Pakistan	-1.26%	-0.44%	-3.15%	-0.23%	2.61%	12.61%	6.91%	2.81%
Brazil	1.46%	11.83%	-4.71%	8.43%	2.87%	4.87%	6.92%	12.06%

(Sources: Bloomberg, SSIAM)

It's important to note that despite challenges we have seen and the tumultuous correction in the past 3 months, VNIndex remains a star performer across global economies over longer-term periods. Vietnam Equity market is poised for a strong recovery, as similarly observed in the broader EM/FM baskets as well as major regional markets (Thailand, Indonesia, Malaysia). The fundamental economic strengths will enable Vietnam's equity to be relatively dynamic to tackle broad global macro risks, which would be an important theme in 2022 with increased geopolitical uncertainties on the global stage.

Indeed, valuation continues to look attractive on a forward-looking basis with VNI forward P/E at only 10.7x (vs. 16-17x historical mean for trailing P/E and 16x target from SSI Research).

	Trailing P/E	Forward P/E	P/B	Div Yield	ROE	Beta vs. VNI	Sharpe
Vietnam	17.0x	10.7x	2.6x	1.12%	15.56%	1.00	2.12
VN 30	13.9x	9.6x	2.7x	0.73%	19.99%	0.96	2.09
VN 50	14.0x	9.4x	2.6x	0.69%	18.93%	1.01	2.15
VN 100	14.7x	9.7x	2.6x	0.75%	17.69%	1.00	2.39
VN Mid Cap	16.5x		2.2x	0.80%	13.61%	1.14	-0.44
VN Small Cap	13.2x		1.7x	1.66%	12.46%	1.03	n/a
VN Finlead	12.1x	8.1x	2.1x	0.31%	18.00%	1.17	2.26
VN Diamond						0.96	n/a
MSCI Frontier	12.6x	9.4x	2.0x	2.91%	16.39%	0.56	1.31
MSCI Emerging	12.9x	10.8x	1.7x	2.60%	14.01%	0.45	-0.66
Thailand	13.0x	15.8x	1.8x	2.64%	9.80%	0.36	1.43
Indonesia					8.67%	0.38	0.94
Malaysia	15.4x	14.2x	1.6x	4.41%	10.45%	0.32	0.34
Philippines	10.2x	13.1x	1.3x	1.83%	11.09%	0.35	n/a
Shanghai	14.8x	10.0x	1.6x	2.07%	9.47%	0.36	-0.10
Taiwan	14.0x	12.7x	2.3x		16.45%	0.38	0.91
Korea	11.8x	9.4x	1.0x	1.82%	9.57%	0.44	-0.88
Pakistan	7.6x	6.2x	1.5x	5.63%	19.19%	0.37	-0.47
Brazil	6.6x	7.8x	1.8x		26.79%	0.34	-0.15

VSD Trading Accounts



(Sources: VSD, SSIAM)

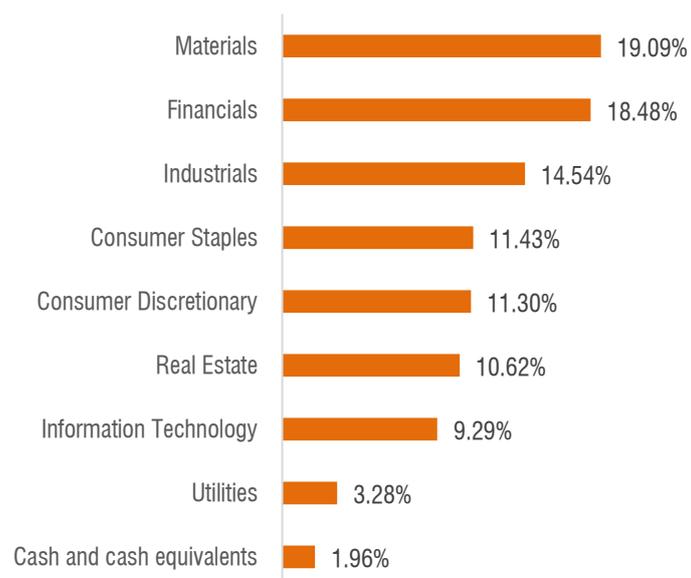
From a sector allocation perspective, Feb was a revert of Jan. Financials saw pull-back (-3.16%) after a strong Jan performance as an anchor to Index. Similarly, Real Estate printed a poor performance at -6.09% in Feb as money flow was directed to the rest of underperforming sectors in Jan. Particularly, Materials (+13.52%), Industrials (+10.85%), and Consumers Staples (+4.77%) contributed the most the VNI's performance in Feb. Looking forward, we still think Financials, Real Estates, Materials, and Industrials will remain structural drivers of VNI performance in 2022, in line with the reopening theme and economic normalization post pandemic.

	1M		3M		6M		1Y	
	Total Return (%)	Contribution %						
VNIIndex	0.77		1.12		12.62		29.03	
Financials	-3.16	-1.15	3.95	1.31	13.90	4.59	37.77	12.27
Real Estate	-6.09	-1.38	-7.57	-1.78	3.40	0.87	12.02	3.29
Consumer Discretionary	5.34	0.16	2.76	0.09	23.94	0.68	47.24	1.26
Consumer Staples	4.77	0.47	0.73	0.07	9.31	1.04	9.10	1.06
Information Technology	5.83	0.10	-3.98	-0.08	3.67	0.08	51.40	0.82
Materials	13.52	1.12	-4.44	-0.50	1.13	0.22	45.98	4.10
Industrials	10.85	0.93	5.95	0.50	35.21	2.57	45.10	3.32
Health Care	7.60	0.05	2.70	0.02	0.11	-0.01	23.07	0.18
Utilities	5.81	0.35	16.02	0.84	28.87	1.58	34.43	1.95
Communication Services	13.00	0.01	12.68	0.01	45.58	0.03	19.48	0.01
Energy	12.45	0.21	15.93	0.26	30.58	0.50	17.86	0.33
Not Classified	12.27	0.02	-5.84	-0.01	26.18	0.05	5.97	0.01

(Sources: Bloomberg, SSIAM)

The highlight of the domestic stock market in particular and the international stock market in general for the past month was the conflict between Russia and Ukraine. The market clearly diverged since the tension started between the two countries. Concerns about supply chain disruptions during the two-year pandemic led to "FOMO" activity in commodity markets which drove up the stock prices of firms involved in metal products, chemicals, oil and gas, agricultural products, outperforming other sectors. We believe that over time, this geopolitical factor will no longer be as severe as it was at the beginning, and since Vietnam's trading with Russia and Ukraine isn't much, the direct negative impact on Vietnam's economy will also be limited. At that time, sectors and stocks with really good fundamentals will attract cash flow back and earnings and valuations of "basic resources" businesses will be reassessed. We will limit buy-in and selectively disburse to businesses with outstanding 2022 business results and reasonable valuations.

ASSET ALLOCATION BY SECTORS (% NAV)



TOP HOLDINGS AS OF 28/02/2022

Stock	Company Name	Sector	% NAV
MWG	Mobile World Investment Corp	Consumer Discretionary	11.30%
FPT	FPT Corp	Information Technology	9.29%
HPG	Hoa Phat Group JSC	Materials	9.17%
VHM	Vinhomes JSC	Real Estate	7.83%
MBB	Military Commercial Joint Stock Bank	Financials	4.95%

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.