

## 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>	VND558.45 billion (~USD24.15 million) (As of 30 June 2022)
<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>	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	28,498.36	24.1	38.2	-12.1	3.9	18.6	49.9	-11.5	185.0
VN-Index		14.8	48.0	-9.3	7.7	14.9	35.7	-20.1	98.0

Data as of 30/06/2022, 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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## FUND MANAGERS

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## Macro outlook in June 2022

- **Vietnam's economy grew strongly in Q2/2022:** According to the General Statistics Office, Vietnam's GDP growth reached 7.72% in the second quarter of 2022 – the highest level in the second quarter of the period 2011-2022 – raising 6M GDP growth in 2022 to 6.42% – the highest level in the past 3 years. Meanwhile, inflation continues to be under control with the 6-month average CPI of 2022 at 2.25% – the second lowest in the 6-month period since 2017.

The main factors driving the economy includes:

- 1) consumption recovered with retail sales of goods and services increasing by +1.4% MoM and +27.3% YoY, thanks to the return to a new normal, improved incomes, and policies promoting tourism (international visitors to Vietnam in June increased by 36.8% MoM and 32.9 times YoY);
  - 2) industrial production kept recovering with IIP up by 9.9% QoQ, PMI holding above 50 points for 9 consecutive months;
  - 3) export recovers (+17.3%) amid increased business capacity, production recovery and improved demand, with trade surplus estimated at USD 710 million;
  - 4) disbursed FDI in the first half of the year reached USD 10.06 billion, the highest level in the past 5 years;
  - 5) public investment takes center, with 6M realized investment capital from the State budget of the year estimated at VND 192.2 trillion (reaching 35.3% of the year plan and up by 10.1% yoy);
  - 6) VND remains one of the most stable currencies in Asia.
- **Fed raised interest rates to the highest level in 28 years to curb inflation:** On June 16, the US Federal Reserve (Fed) increased the base interest rate by 0.75 percentage points – the steepest rate hike since 1994. The Fed's base rate is currently within the range of 1.5% -1.75% - the highest level since the COVID-19 outbreak. Fed also signaled a rate hike of 0.5-0.75 points at the July meeting. According to the "dot plot" chart showing the expected interest rates of each member of the Fed, the base interest rate Fed could reach 3.4% by the end of 2022, 1.5 percentage points higher than predicted in March.

## Securities market in June 2022

In the first half of 2022, the Vietnamese stock market as well as the global market experienced volatility due to the widespread recession fears. The market dropped significantly due to the risk of stagnating growth, rising interest rates expectations, high inflation, and supply chain disruptions, spurred by the protracted Russia-Ukraine war and the "Zero Covid" campaign in China. In Vietnam, investigations into stock price manipulation violations and fears of a tightening bond market weighed on investor sentiment, leading to multiple sell-offs. The end of June marked the 12<sup>th</sup> consecutive week that Vietnam's stock market fell since the peak of 1,530 in early April and ended the month at 1,197.6 (-20% YTD). During the month, HNX Index and UpCoM also recorded declines of -12.1% and -6.9% MoM respectively.

All sectors simultaneously decreased. Financials (-24.9%) saw the sharpest drop, led by SSI (-28.6%), VND (-31.1%) and VCI (-15.3%). Followed afterwards is Energy (-12.7%), with PLX (-8.4%), PVS (-22.1%) and PVD (-27.5%). Materials group dropped by 11.4% strongly influenced by HPG (-15.1%) and GVR (-10.5%).

Trading liquidity decreased slightly. Average daily trading value (ADTV) in June on all 3 exchanges decreased slightly by 1.6% MoM to USD763 million while HSX's ADTV fell 3.7% to USD633 million. In the first 6 months of 2022, ADTV on all 3 exchanges still reached USD1.1 billion (+14.1 percent YoY), with HSX's ADTV up 16.9% YoY to USD929 million.

Foreign investors were net buyers for the third consecutive month. Foreign investors net bought USD125 million in June on all three exchanges (USD89 million on the HSX), bringing the total net buying value of foreign investors in Q2/2022 to USD447 million compared to the net selling amount of USD285 million in the first quarter of 2022.

## Investment view

In the face domestic and foreign markets volatility, we have restructured our portfolio by increasing the weight of cash holdings in order to wait for the opportunity to allocate to more promising stocks in the second half of 2022. We believe that cash flow will continue to flow between sectors in the market.

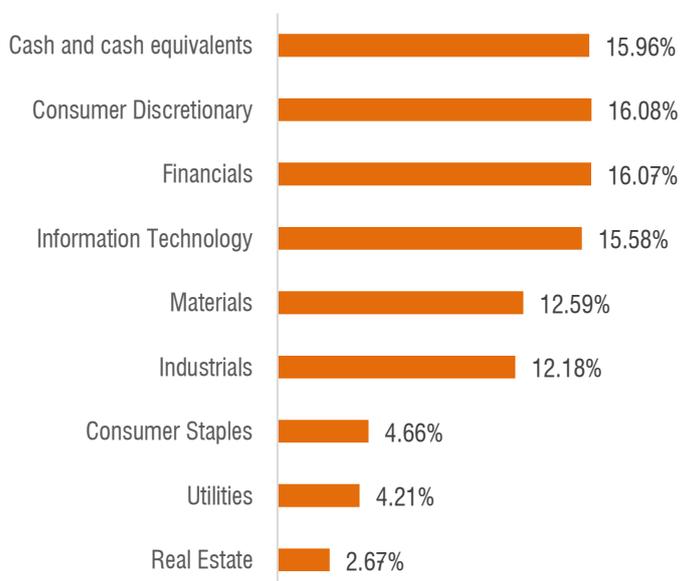
Policymakers have taken steps to control inflation, maintain operating interest rates and lending rates on market 1, as well as stabilize exchange rates. Therefore, we believe that in the short term (July/22) these macro variables have not changed significantly. The Draft for T+2 Transaction demonstrates the regulator's efforts in promoting the growth and development of the market in the long term.

According to our assessment, Q2 and Q3/2022 earnings will range from neutral to positive results. As of June-end, VN-Index's P/E reached 13.0x, an attractive level compared to Indonesia's JCI (14.7x), Thailand's SET (16.9x) and Philippines' PCOMP (17.6x).

In the upcoming Q3, we expect the State Bank to extend credit room for the Vietnamese banking system. The reopening of cash flow across the economy is likely to have a positive impact on the stock market in the second half of 2022, especially for banking stocks, which have attractive valuations and positive earnings. However, inflation and interest rate policy are the two main risks to watch in the second half of the year. The domestic stock market is expected to continue to fluctuate according to statistics with regards to inflation, inflation expectations, and actions of central banks, especially the Fed. In the coming time, we will actively look for new potential candidates to disburse or buy more existing stocks in the portfolio at better price ranges.

History shows that after each strong correction, VN-Index recovered strongly and quickly conquered new highs. Therefore, we believe that the Vietnamese stock market remains an attractive investment channel in the medium to long term based on its extremely attractive valuation and growth potential. At this time, investors have the perfect opportunity to consider allocating more capital to the stock market channel, wait patiently and avoid reacting to the short-term psychology of the market crowd.

## ASSET ALLOCATION BY SECTORS (% NAV)



## TOP HOLDINGS AS OF 30/06/2022

Stock	Company Name	Sector	% NAV
FPT	FPT Corp	Information Technology	15.58%
MWG	Mobile World Investment Corp	Consumer Discretionary	12.62%
HPG	Hoa Phat Group JSC	Materials	6.54%
QNS	Quang Ngai Sugar JSC	Consumer Staples	4.63%
STB	Saigon Thuong Tin Commercial JSB	Financials	4.21%

## 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 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: <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, SSI-SCA and VLGF 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.