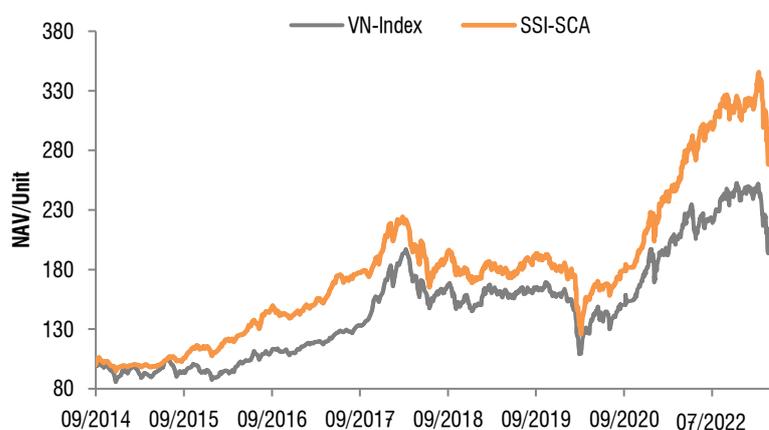


## FUND FACTS

<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>VND538.62 billion (~USD23.08 million)</b> (As of 31 July 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>28,060.67</b>	24.1	38.2	-12.1	3.9	18.6	49.9	-12.8	<b>180.6</b>
VN-Index		14.8	48.0	-9.3	7.7	14.9	35.7	-19.5	<b>99.4</b>

Data as of 31/07/2022, 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

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Portfolio Manager

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## Macro outlook in July 2022

**Vietnam's economy continues to recover in July 2022:** After Vietnam recorded positive growth in the first half of 2022, the macro data in July has begun to show a slow recovery momentum under inflationary pressure as well as impacts from international geopolitics. Besides, the State Bank also made notable monetary policy adjustments in the month to stabilize the exchange rate and system's liquidity. Industrial production index IIP (+11.2% YoY) and retail sales (+42.6% YoY) continued to grow while inflation remained under control (average CPI increased by 2.54% in 7M 2022). However, import and export turnover growth showed signs of deceleration.

**Inflation continues to be the most important macro variable:** We see global inflation cooled down from the data published in July 2022 when indices that track oil, general commodity prices and transportation/logistics activities showed positive signs compared to the first half of the year. The cooling of inflation will create room for major central banks to review the level and roadmap of rates hikes to better support the recovery of the economy.

Specifically:

- (1) The US Federal Reserve (FED) announced a 75-basis point increase in interest rates – in line with market expectations on July 27, 2022. This is the second interest rate hike in a row within this year to tame inflation that is at a 4-decade high in the US. However, the stock market has already priced in this rate hike when all major indices rallied after the official announcement from the FED;
- (2) Oil price at the end of July 2022 decreased to 110 USD/barrel, down by 11% from the peak of 124 USD/barrel in mid-June 2022. Prices of other commodities also showed a cooling down according to the Bloomberg Commodity Index, a general index that tracks commodity price movements. At the end of July, this index was at 120 points, down 17 points from the peak in mid-June;
- (3) The Government of Vietnam maintains its priority to support economic recovery in tandem with controlling inflation and stabilizing prices of major commodities, especially petroleum. As of August 1, 2022, the price of RON95 gasoline was adjusted down to VND 25,600/liter (-21.9% compared to July 1, 2022, VND 32,760/liter).
- (4) The State Bank keeps the credit growth target for the whole 2022 at 14% in order to avoid interest rate race between banks, and at the same time stabilize the exchange rate and foreign exchange market. As of July-end, the credit growth of the whole industry was at 9.42% YTD, so the credit limit for the remaining five months is 4.6%. This means that commercial banks will not be incentivized to increase deposit mobilization. From that, it is forecasted that the deposit interest rate will not change significantly in August 2022.

## Securities market in July 2022

The VN-Index has recovered from an 18-month low. After plummeting 7.7% in June 2022, VN-Index continued to fall below 1,150 points on July 6 (-4.0% MTD) - the lowest level since February 2021. However, with the recovery of the global stock market, VN-Index gradually climbed up for the rest of the month, closing July at 1,206.3 points (+0.7% in July). A positive signal is that VN-Index has surpassed the psychological resistance level of 1,200 points with clear improvement in liquidity in the last 2 sessions of the month. This development is similar to the positive US stock market movements and many other large stock markets when investor sentiment was untied after two important macro news: the Fed raised interest rates by 0.75 percentage points and US GDP in Q2 decreased by 0.9%, close to the market forecast.

Securities stocks clearly bounced back. After dropping about 25% in June, Securities rebounded by nearly 16% in July, led by HCM (+29.2%), VCI (+22.5%) and SSI (+13.6%). Followed by Industrials (+5.4%) and Financials (+4.1%).

Liquidity fell for the fourth consecutive month, reaching only 10 trillion dong on HOSE through matched value and this level is far below the peak of 24.7 trillion dong in March. Looking on the bright side, the liquidity drops to a low level then exhibited sideways trend means that selling momentum has weakened considerably and could be an indicator that the market has reached an equilibrium in the short run.

Particularly, foreign investors ended 3 consecutive months of net buying in Q2 with net selling in July, with value of -673 billion dong on HOSE. It can be seen that this group focused on net selling in the first 2 weeks of the month and net bought again in the last week of the month, which mainly focused on KDC +980 billion dong via put-through channel. Followed by VNM +521 billion dong and STB +260 billion dong were the next two best net buyers. In the net selling group, FUEVFNND recorded the highest value of -751 billion, HPG -557 billion, VHM -493 billion, NVL -433 billion, BSR -318 billion, etc.

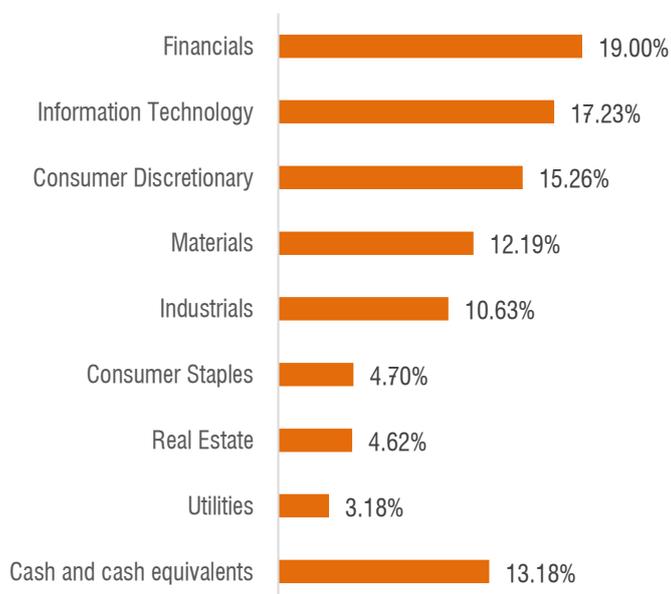
Most of the listed companies have announced their Q2 and 1H2022 earnings with relatively clear divergence. Accordingly, the majority of businesses on the exchange continued to record revenue growth (~64.3% of enterprises) and profit growth (85.2% of enterprises). However, the number of businesses with revenue growth, especially with growth exceeding 20%, recorded a lower rate YoY. In terms of profit, the number of businesses whose profits decreased and changed from profit to loss also recorded an increase over the same period.

In the first half of 2022, net profit of listed equities on all 3 exchanges grew by 26.0% YoY. We forecast positive net profit growth of 23% and 19% YoY in 2022 and 2023 respectively.

For the whole of Q3/2022, we are optimistic about the earnings growth prospect of listed companies when compared to a low basis in Q3/2021 which was heavily affected by the COVID-19 lock-down. This will help maintain the positive sentiment of the majority of investors as well as contribute to the valuation of VN-Index becoming more attractive. *(As of the end of July, the VN-Index's P/E TTM reached 12.9x, an attractive level compared to Indonesia's JCI of 15.0x, Thailand's SET of 17.0x and the Philippines' PCOMP of 18.2x).*

We think this is the right market timing for the VN-Index's recovery in August 2022 as well as in Q3/2022. Investors may consider increasing the investment holdings in stocks to take advantage of the recovery of the above index.

## ASSET ALLOCATION BY SECTORS (% NAV)



## TOP HOLDINGS AS OF 31/07/2022

Stock	Company Name	Sector	% NAV
<b>FPT</b>	FPT Corp	Information Technology	17.23%
<b>MWG</b>	Mobile World Investment Corp	Consumer Discretionary	11.06%
<b>HPG</b>	Hoa Phat Group JSC	Materials	6.88%
<b>STB</b>	Saigon Thuong Tin Commercial JSB	Financials	4.97%
<b>MBB</b>	Military Commercial JSB	Financials	4.88%

## 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.