

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	VND509.15 billion (~USD21.33 million) (As of 30 September 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 (%)							
		2016	2017	2018	2019	2020	2021	YTD	Since Inception
SSI-SCA	27,274.40	24.1	38.2	-12.1	3.9	18.6	49.9	-15.29	172.74
VN-Index		14.8	48.0	-9.3	7.7	14.9	35.7	-24.44	87.13

Data as of 30/09/2022, 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

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Website: <http://www.ssi.com.vn>

FUND MANAGERS

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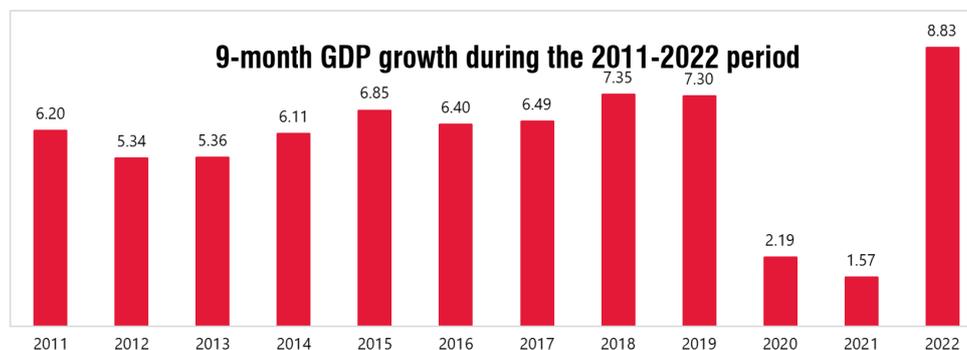
Nguyen Xuan Quynh

Portfolio Manager

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Vietnam September Macro Prints – Continue to show resilient recovery

Robust Q3/2022 GDP growth exceeding the expectations: at 13.67%, taking the country's economic growth in the first nine months of the year to 8.83% (the highest since 2011). Growth is observed in all three key economic sectors; specifically, Agriculture, forestry and fishery increased by +2.99%; industrial production increased by +9.63%; service sector strongly recovered by +10.57%.



Source: SSIAM

CPI Inflation remained containable at 2.73% in September, which is comparable to the same period of prior years (2018-2021) and is still below the SBV's target of 4%.

Exchange rate and Interest rate are the two areas of critical concerns: as of October 3rd, the State Bank of Vietnam (SBV) has decided to raise the US dollar selling price to 23,295 VND, equivalent to 3.9% increase since the beginning of the year. However, compared to other regional currencies, VND remained one of the most stable. Regarding interest rates, on September 23rd, the SBV increased the policy rates and the ceiling for deposit rates for under 6-month deposits by 1% - this is also the first time the SBV increased the policy rates since May 2011. The 100bps hike was rather unexpected, faster, and stronger than the market anticipation, yet showing the SBV's drastic and continuous effort to maintain a stable USDVND FX.

Vietnam Equity Market in Review – Negative developments of the Vietnam Stock market, VN-Index plunged to 20-month low

VN-Index plummeted by -11.5% in September 2022, hitting a low of 1,132.11 points, the lowest since February 2021. This was also the third largest September decrease, following the two historical sessions in September 2001 and September 2008.

Market liquidity hitting the trough as the average daily trading volume plunged to 13,400 bn VND, -14% as compared to August. The total matching orders recorded at just under 11,900 bn/session, the second lowest level since the beginning of 2021 despite the shortening settlement cycle. Weak market liquidity was not only caused by the market concerns regarding rate hike pressures, but only by the net-selling activity of foreign investors and proprietary trading activity of securities companies.

Foreign investors returned as net sellers with a total net sale of more than 3,000 bn VND on HoSE, this is a sudden reversal in trend as foreign investors remained net purchasers of 2,500 bn VND in the previous 8 months. Pressure on the international markets is believed to be the key driver of foreign investor net withdrawal in the emerging markets.

The current market development reflects the relatively unstable investor sentiment, trying to exit the stock positions at any costs, leading to a large-scale sell-off, creating undue pressure on the indices. Yet, low market liquidity also signaled a reduction in stock supply and chances that the market will soon regain its momentum.

October Investment Thesis – Preparation for market recovery

Factors affecting the stock market performance in September includes:

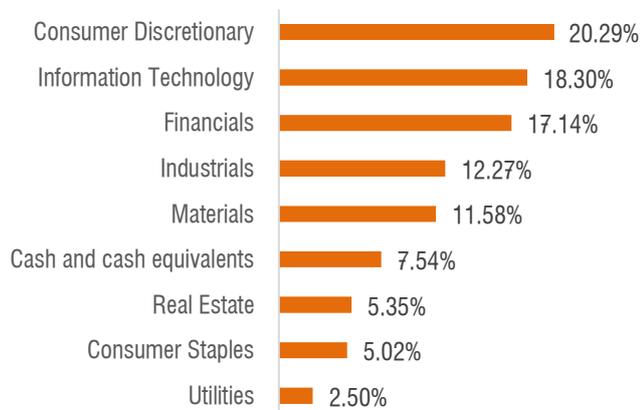
- **Domestic:** The SBV official announcement to increase the policy rates and the introduction of Decree 65 tightening regulations on corporate bond issuance activity. However, we are of the opinion that the recent developments in the domestic market have already been priced in; specifically, deposit rates across banks have already edged up before the SBV's announcement and Real-estate firms and developers already struggled to raise capital through the issuance of corporate bonds.
- **Global:** The Dow Jones Index set a new bottom, the previous low was 29,900 points in June 2022 as FED projected a more aggressive rate hike to tame inflationary pressure and stagflation (supply chain disruption due to the geo-political tensions between Russia-Ukraine and China's persistent lock-down measures). A positive point is that the commodity prices have fallen sharply (WTI dropped to its Jan 2022 level at 78USD/barrel. Thus, we expect the CPI inflation might have already peaked in the US and instead of inflation, a key indicator worth considering now would be the US Q3 GDP growth. The US economy recovery will create room for FED to loosen its monetary policy in the upcoming periods.

As mentioned in the **SSIAM Market Updates** (released on October 4, 2022), we are of the opinion that the market is overreacting, pushing various stocks to attractive valuation.

We will continue to monitor the market and implement different investment themes while increasing the weights of promising stocks (expected to outperform the market and their own sectors) in the portfolio. Specifically:

- **Core stock:** Core stock: Large-cap stocks, stocks maintaining high growth rates, leading the overall market performance, and still being valued at appropriate levels: FPT, MWG, MBB, TCB (These stocks have already accounted for a relatively proportion in the portfolio).
- **Defensive, high-dividend stocks:** Defensive stocks (electricity, water, pharmaceuticals, healthcare, ...) with high dividend yield: TDM, DHA, QNS, NTC
- **Strong positive earnings momentum in 2023-2025:** Stocks with positive earnings forecast in the 2023-2025 period: DRC, PC1, GMD
- **Value stock:** Stocks with intrinsic values that are higher than current market value: HPG, STB, TV2, LHG

ASSET ALLOCATION BY SECTORS (% NAV)



TOP HOLDINGS AS OF 30/09/2022

Stock	Company Name	Sector	% NAV
FPT	FPT Corp	Information Technology	18.30%
MWG	Mobile World Investment Corp	Consumer Discretionary	15.81%
HPG	Hoa Phat Group JSC	Materials	5.71%
QNS	Quang Ngai Sugar JSC	Consumer Staples	4.98%
DRC	Danang Rubber JSC	Consumer Discretionary	4.48%

TRADING OVERVIEW

Dealing date: Every Working day (Day T)

Cut-off time: 2:30 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, SSI-SCA and VLGf 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.