

FACT SHEET AS OF 31 July 2023

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	VND 579.81 billion (~USD 24.30 million) (As of 31 July 2023)
Fund operating period	Unlimited
Fund Management Company	SSI Asset Management Co., Ltd https://www.ssiam.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	VND10,000 (ten thousand dong)
Targeted Return	13% - 15% / year

FUND PERFORMANCE



	NAV/ Unit (VND)	Performance (%)							
		2018	2019	2020	2021	2022	1M	YTD	Since Inception
SSI-SCA	30,310.31	-12.1	3.9	18.6	49.9	-26.1	9.3	27.3	203.1
VN-Index	1,222.90	-9.3	7.7	14.9	35.7	-32.8	9.2	21.4	102.1

Data as of 31/07/2023, 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 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 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

Subscription Fee applied for flexible SIP (SIPLH) Free

Fee applied for exiting systematic investment plan before reaching the minimum investment period 0.75%

Redemption fee applied for flexible SIP

Holding period below 12 months	2.00%
Holding period 12 - 24 months	1.25%
Holding period above 24 months	Free

PORTFOLIO MANAGER BIO

Mr. Bui Van Tot, CFA

- Joined SSIAM in 2015. Supported the offshore SIF fund before being promoted to PM of the SCA fund in 2020.
- Previously worked as senior research analyst of FPT Securities and Head of Finance Department of AIESEC Vietnam.
- BA in International Business from HCM Foreign Trade University.

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MACRO & MARKET COMMENTARY

Slight signs of macro recovery but exports still weak.

Trade recovering? Maybe not yet. July exports declined 3% Y/Y. Some analysts are citing this result as an improvement over the 11% Y/Y decline in H1/23. However, the cause of the improvement is that in July 2022 exports were weak – falling 6.8% M/M and making the 2023 number look better by comparison. Actually, July 2023 exports increased a mere 1.3% M/M. So, we shouldn't get too excited yet. Y/Y declines were spread across nearly every product category except Transport Vehicles and Spare Parts, which rose 20%. At the same time, falling imports (-10%Y/Y) helped Vietnam expand its YTD trade surplus to \$15bn, a record high for 7M and more than 3% of GDP, which will continue to support the value of the VND.

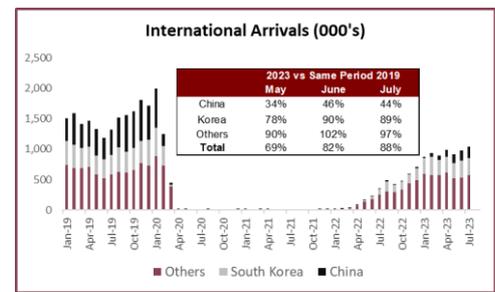
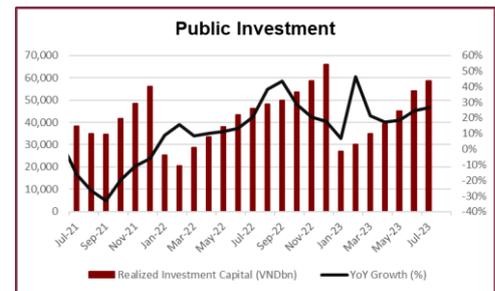
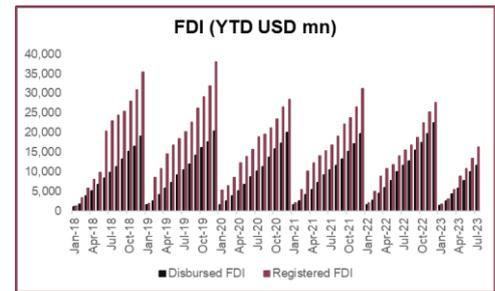
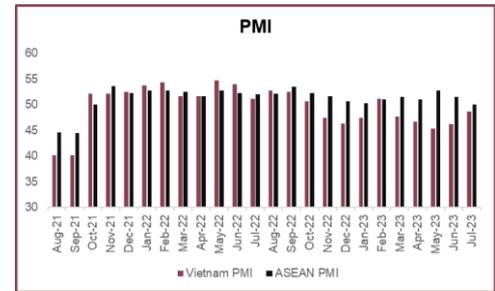
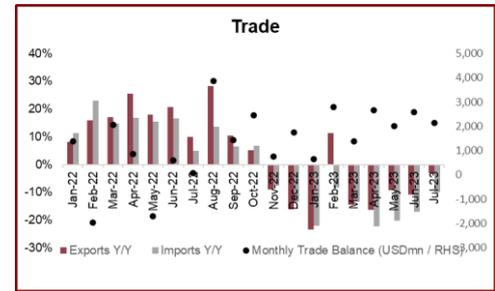
PMI was slightly less weak than it has been. Vietnam's PMI increased from 45.3 in May to 46.2 in June to 48.7 in July. While the improvements are welcomed, the PMI has been below the expansionary threshold of 50 for eight of the past nine months and manufacturing jobs were still down 3.9% Y/Y. Vietnam's PMI has also recently been well below the ASEAN average due to its heavier reliance on the US. But for the past few months the ASEAN PMI has been trending down while Vietnam trended up.

The current slowdown is not hurting FDI. Registered FDI rose 4.5% Y/Y to \$16.2bn. Although registrations are still tracking below the high levels recorded in 2019, the amounts are strong given the current global geopolitical and macroeconomic uncertainties. Furthermore, we have yet to see any power sector megaprojects registered following the recent passage of PDP8, but these should come. Led by LG Innotek's \$1bn investment, the manufacturing sector accounted for 67% of the total, while 10% comes from the financial sector due to SMBC's \$1.5bn investment in VPBank. Additionally, Dell and HP intend to move some production to Vietnam while Apple began producing MacBooks in Vietnam this year. Meanwhile, disbursed FDI is running slightly ahead of 2022's record setting pace after adding \$1.5bn in July.

Public investment boosting growth and sentiment. The Government's intention to offset the slowdown in export manufacturing through increased public investment is showing good results. Invested State capital rose 26% Y/Y in July to VND58.5tn (USD2.5bn). Several key projects have been kick-started or reactivated, such as Ring Road 3 in HCMC, Ring Road 4 in Hanoi and the passenger terminal for the Long Thanh Airport.

Tourism has nearly recovered to pre-pandemic levels. Vietnam welcomed over one million foreign arrivals in July for the first time since February 2020. At the current rate, the country should receive more than 13 million arrivals for the full year 2023. S. Korea still led the way with 286k arrivals, but Chinese tourists increased 14% M/M to 180k. Total arrivals reached 88% of the pre-pandemic level in July 2019 and could rise even more quickly in the coming months as the change of e-visas from single entry / 30-day to multiple entry / 90-day is scheduled to take effect August 15. Furthermore, Ho Chi Minh City's Tan Son Nhat airport has just installed 10 much-needed electronic passport readers to speed up the immigration arrival and departure processes.

Headline inflation leveled off, but core inflation edged down. The gap between core and headline inflation narrowed in July as headline inflation leveled off at 2.06% while core inflation accelerated its steady decline to 4.11%. Driving this trend, transportation sector CPI, which was -12.0% Y/Y in June rose to -9.8% in July. This was not surprising as crude oil was lower in July 2022 than in June 2022. Furthermore, Vietnam increased petrol prices twice during July for a total of ~11%. There are also concerns that rice prices may rise due to export bans from India and Russia and that a new round of Swine Flu could impact pork prices (although Vietnam is now nearing approval of a Swine Flu vaccine).



(As of 31 July 2023)	1M Δ	3M Δ	1YR Δ	VNI End Weight	TTM P/E	Current P/B	ROE	Beta
Communication Services	7.4%	19.8%	-37.1%	0.1%		1.2	-1.9	1.2
Consumer Discretionary	14.2%	23.6%	-27.9%	3.3%	28.3	2.5	9.1	1.1
Consumer Staples	9.0%	8.8%	-11.8%	10.5%	30.7	3.2	11.0	0.8
Energy	9.1%	14.9%	6.3%	1.7%	21.1	1.6	7.5	1.1
Financials	7.6%	16.1%	14.8%	39.5%	10.0	1.6	17.5	1.1
Health Care	0.0%	17.1%	23.4%	0.8%	14.6	2.3	16.9	0.6
Industrials	8.0%	19.8%	-8.8%	8.3%	85.5	1.8	5.1	1.1
Information Technology	16.1%	29.4%	-1.6%	2.4%	18.9	4.1	23.1	0.9
Materials	10.3%	30.4%	-5.5%	8.4%	46.3	1.5	3.5	1.4
Real Estate	12.3%	17.2%	-26.7%	18.1%	13.6	1.7	13.3	0.9
Utilities	8.2%	11.8%	-10.2%	7.0%	11.7	2.1	15.8	0.8
Not Classified	0.8%	13.1%	-23.8%	0.0%	33.1	0.6	0.7	0.9
VN-Index	9.2%	17.1%	2.7%	100.0%	14.8	1.8	13.2	1.0
VN30	9.7%	18.0%	1.4%		12.6	1.8	15.2	1.0

VND held steady as USD showed some signs of weakness. The high trade surplus, and large disbursed FDI continue to support the VND. The currency weakened a mere 0.46% M/M and 0.25% YTD vs the USD. However, this came at a time when the USD DXY index dipped below 100 for the first time since April 2022. Furthermore, after strongly purchasing foreign reserves throughout Q1/2023, the SBV is reported to have purchased none in July, which indicates that strength of the currency might have weakened. This would not be surprising after repeated SBV interest rate cuts throughout the year.

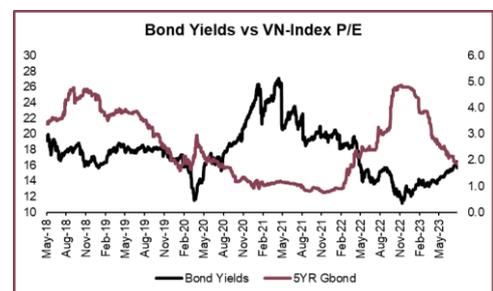
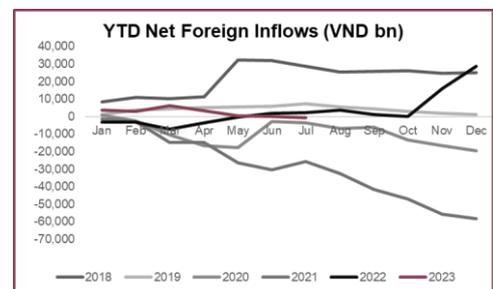
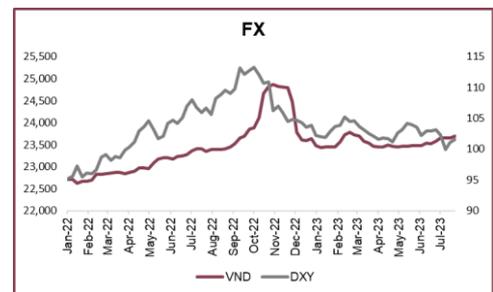
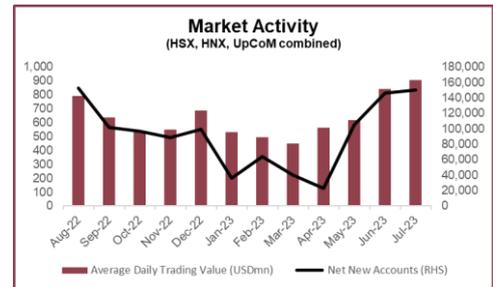
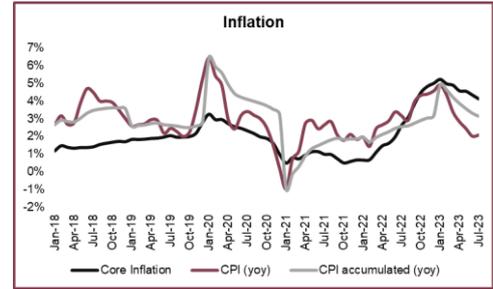
Stimulus has energized domestic investors and pushed valuations higher.

Retail sentiment built on June momentum. The VN-Index rose 9.2% in July and 21.4% YTD, far outperforming neighboring peers. Gains were driven by retail sentiment, which has been strong since the SBV cut interest rates in May and June. Trading volume soared to USD906mn per day as investors opened 150,619 new accounts in July – the highest level since August 2022. Domestic investors accounted for 92.4% of trading volume as foreign investors net-sold USD467mn M/M and USD534mn YTD.

Low G-bond yields continue to support equity valuations. Even after July’s strong gains, Vietnam equities appear to be reasonably priced. The VN-Index closed July at 16.6x trailing earnings, which is still below its five-year average. Although Vietnam’s P/E is now a bit above that of the Philippines and Indonesia it is still well below Thailand’s. Furthermore, Vietnam government bond yields continued to tighten. The 5-yr yield dropped another 32 basis points to 1.83%. While Vietnam bonds have historically traded much tighter than Philippine and Indonesian equivalents, they are now tighter even than those of Thailand. As Vietnam’s cost of funds trends down towards its 2021 lows, the rising equity valuations seem very reasonable.

Corporate bond trading system debuted. The Hanoi Stock Exchange launched its new trading system for privately placed corporate bonds on July 19. Investors placed 39 orders for 19 different trading codes. Total transaction volume reached VND1.8tn (USD77mn), composed mostly of bonds from Vietcombank and VinFast. The new system may be an important tool to improve liquidity of the corporate bond market, which had approximately VND1,200tn (USD50bn) of debt outstanding at year-end 2022.

As of 31 July 2023	Vietnam VN-Index	Thailand SET Index	Indonesia JCI Index	Philippines PCOMP Index
YTD % Increase / (Decrease)	22.4%	-5.0%	4.9%	3.5%
TTM P/E	16.6	21.3	13.8	14.6
P/B	1.9	1.5	1.6	1.9
ROE	12.7	8.2	10.9	11.8
Market Cap (USDbn)	178	548	170	668
3-Month Avg Daily Traded Value USDm	593.2	1,268.8	65.9	643.6
2022 Net Foreign Inflow (USDm)	1,072.6	5,844.1	4,316.7	(1,245.3)
YTD 2023 Net Foreign Inflow (USDm)	(48.7)	(3,468.3)	1,271.7	(136.1)
5YR Gov Bond Yield	1.83%	2.40%	5.97%	6.20%



Sources: Bloomberg & Fiinpro,

FUND PERFORMANCE COMMENTARY

The SCA fund rose 9.54% in Jul compared to +9.22% for the VN-Index. Top performers of the fund during Jul were MWG (+25.2%), NLG (+21.2%), DGW (+17.8%), TV2 (+16%), FPT (+15.8%), VHM (+14.6%), SGP (+13.2%) and GMD (+13.1%). Top lagger was STB (-2.85%). Top contributors to total return of the fund during Jul were FPT (+2.74%), MWG (+2.65%), TV2 (+0.56%), GMD (+0.51%) and HPG (+0.37%). With a good return in Jul, SCA posted +27.3% in 7M2023 compared to +21.4% of VN-Index.

The SCA underweighed on banking and real estate sectors. However, the fund still achieved the outperformance in Jul, mainly due to the outweigh on Information Technology, Consumer Discretionary, Automobiles & Components and Industrials that delivered positive relative return versus VN-Index in Jul.

Our top five holdings are FPT (17.84%), MWG (11.2%), HPG (4.6%), MBB (4.3%) and GMD (3.9%). Our top holdings contribute 6.6% to SCA's total return in Jul. We continue to maintain FPT as the top largest holding with over 15% weight in SCA's portfolio based on our expectation that the information technology will deliver high long-term growth rate.

According to 1H2023 business results, FPT achieved revenue of 24.2 tn VND (+22% YoY) and NPAT-MI of 3.0 tn VND (+21% YoY). FPT's NPAT-MI growth in 1H2023 was led by Global IT Services (PBT +35% YoY), Telecom Services (PBT +15% YoY) and Education. In which, new global IT contract value increased 29% YoY in H1 2023 to reach 15.0 tn VND. FPT focused more in South Korea, China, Japan and Indonesia to offset decelerating growth in the US (+15% YoY in H1 2023 vs +48% YoY in H1 2022). Particularly, Japan and APAC led the growth as these market's revenue increased 39% YoY and 43% YoY in 1H2023, respectively.

Stocks newly added to the SCA's portfolio in 2Q (including DGW, DGC, MSH, SCS, SGP) brought about positive return. In addition, the fund added new weight for VRE for the reasons as follows:

1. Sustainable revenue and NPAT growths led by the retail leasing segment driven by VRE's high occupancy rate.
2. The prospect of long-term rental price growth and solid profit margin thanks to VRE's ability to increase leasable space in the context of limited retail leasing supply in Ho Chi Minh City and Hanoi City.
3. VRE's shopping mall network is located in prime locations, as well as directly benefits from Vingroup's ecosystem.
4. Positive business cash flow helps VRE less use financial leverage in the expansion process.
5. Valuation multiples (PE & PB) have reached historic lows.

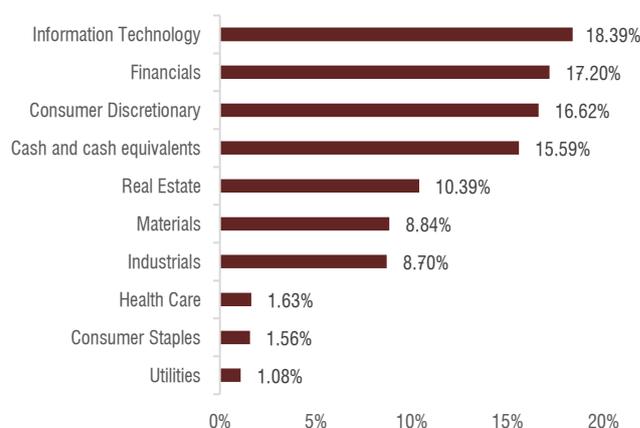
With a good return in Jul, SCA posted +27.3% in 7M2023 compared to +21.4% of VN-Index. SCA delivered the outperformance in return by 5.9% in 7M2023. Top contributors to total return of the fund in 7M2023 were:

1. FPT (+5.46%): Led by the ability to maintain sustainable profit growth. Despite the economic difficulties, FPT still achieved revenue growth of 22% YoY and NPAT growth of 21% YoY in

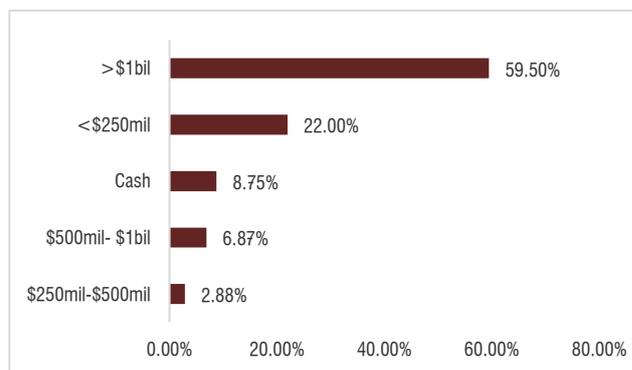
Fund statistics as of 31/07/2023 (12-months)

	SSI – SCA	VN-Index
Volatility (Std) (%)	23.58	20.53
Sharpe Ratio	0.30	0.02
P/E Ratio TTM	13.23	14.73
P/B Ratio Current	1.98	1.82
Beta	0.89	1.02

Fund Allocation by Sector (% NAV)



Fund Allocation by Market Cap (%NAV)



1H2023 thanks to the outstanding performance of Global IT Services, Telecom Services and Education segments.

2. MWG (+2.85%): MWG stock price reflects the expectation that domestic ICT consumption will recover from 3Q2023 coupled with stronger revenue of Bach Hoa Xanh grocery chain.
3. HPG (+2.33%): As HPG stock price reflects attractive upside in price growth regarding to the expectation that HPG's earnings are quarterly recovering from the bottom of 3Q2022.
4. TV2 (+1.87%): Benefit from the long-term prospect of electricity infrastructure construction.
5. STB (+1.39%): STB is expected to be the bank achieving the highest NPAT growth in 2023.

Ticker	Company Name	Sector	% NAV	Mkt Cap (USD m)	TTM P/E	Current P/B	ROE%
FPT	FPT Corp	Information Technology	18.39	4,589	18.56	4.50	26.64
MWG	Mobile World Investment Corp	Consumer Discretionary	11.65	3,315	50.33	3.28	6.75
HPG	Hoa Phat Group JSC	Materials	4.46	6,922		1.68	(1.93)
MBB	Military Commercial Joint Stock Bank	Financials	4.21	4,149	5.39		
GMD	Gemadept Corp	Industrials	3.87	747	8.00	2.02	28.30

Determine NAV

Day T-1	Day T	Day T+1	Day T+2
2:40 pm: Cut-off time	Fund Certificates Dealing Date	Receive the trade confirmation	Redemption payment

SUBSCRIPTION ORDER

Subscription amount

Minimum VND 10,000 (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 VLG 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' advice to make appropriate investment decisions.

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