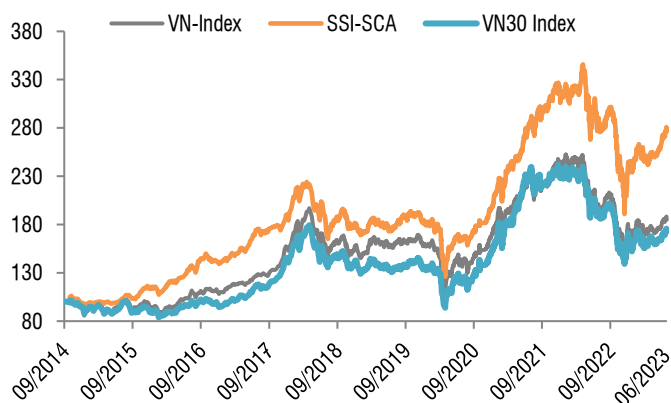


FACT SHEET AS OF 30 June 2023

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	VND512.67billion (~USD21.58 million) (As of 30 June 2023)
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	VND10,000 (ten thousand dong)
Targeted Return	13% - 15% / year

FUND PERFORMANCE



	NAV/ Unit (VND)	Performance (%)							Since Inception
		2018	2019	2020	2021	2022	1M	YTD	
SSI-SCA	27,725.51	-12.1	3.9	18.6	49.9	-26.1	5.0	16.4	177.3
VN-Index	1,120.18	-9.3	7.7	14.9	35.7	-32.8	4.2	11.2	85.2

Data as of 30/06/2023, 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

Management Fee 1.75%

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.

MACRO & MARKET COMMENTARY

Rate cut two weeks before GDP announcement was an ominous sign.

Industry & Construction drags GDP further away from 6.5% target. Vietnam reported 4.1% Q2 growth and 3.7% for H1/23 as industry & construction improved to 2.5% growth vs 0.4% contraction in Q1. Service sector growth declined to 6.1% vs 6.8% in Q1 but was still the leading sector. While declines in exports were the leading cause of the slow growth, power shortages in the North also contributed to reduced output. There were reports that the Government target for 2023 is now 6.0 – 6.5%. To reach 6.5%, Vietnam would need to record 9.0% growth for H2, which seems very challenging given the outlook for consumer demand in Vietnam’s key export markets.

SBV continues to cut rates. May do so again in Q3. On June 16, the SBV cut the refinancing rate and the discount rate by another 50 bps to 4.5% and 3.0% respectively. This was the fourth rate cut this year. Announcing a rate cut two weeks before the end of Q2 was a clear indication that the Government did not expect strong GDP growth. Both rates are now within 50 bps of their lows recorded before the Fed began raising US rates last year. Given the Government’s current targets for GDP growth another 50 bps cut during Q3 seems like a strong possibility.

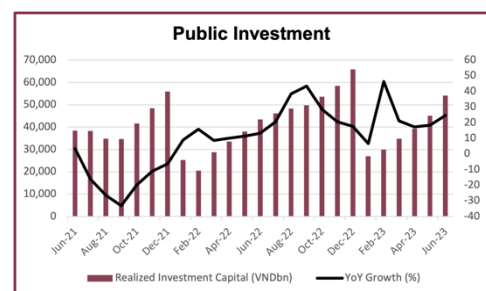
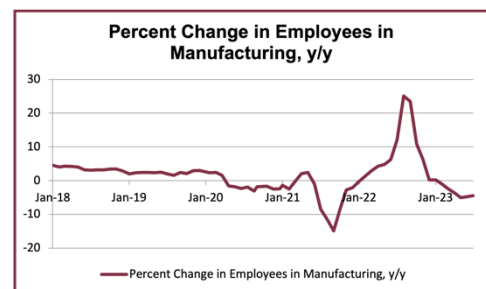
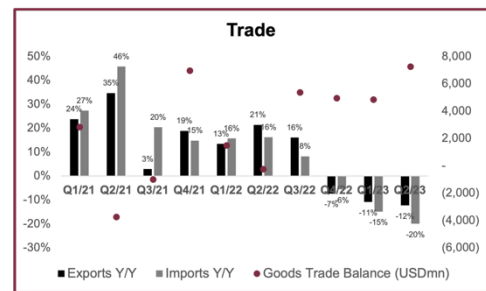
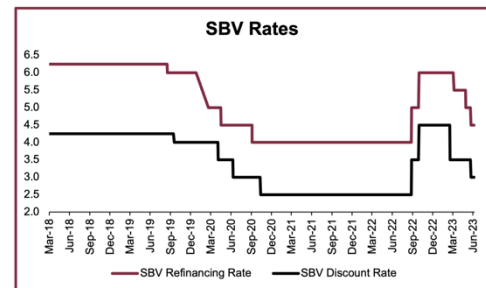
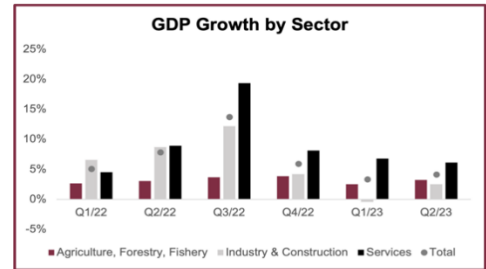
Slowing export manufacturing may not recover until 2024. Vietnam exports declined 12% Y/Y in Q2. Phones fell 18%. Garment & Textile fell 15%. Wood and wood products fell 29%. According to the Conference Board, US imports are forecasted to decline for Q3 & Q4 and not rebound until next year. Given that the US makes up 30% of Vietnam’s exports, we are not likely to see much improvement here until then. Furthermore, Vietnam reported a June PMI of just 46.2, which was below 50 for the sixth time in seven months indicating that new manufacturing orders are still contracting.

Trade, current account, BoP all recorded solid surpluses. The “good” news was that imports declined 20%, which was significantly more than exports, allowing Vietnam to report a \$12bn trade surplus for H1. The actual good news was that the Balance of Payments recorded a USD1.5bn Q1 surplus after four quarters of deficits. This was led by a \$6bn Current Account surplus – the highest Q1 surplus since 2019 - as the services trade deficit shrank with the return of foreign tourists (discussed below).

Manufacturing job losses are mounting. 31,000 manufacturing enterprises filed for dissolution in Q2 (+29% Y/Y). Manufacturing jobs fell 4% Y/Y in June and 5% Y/Y in May. Labor income fell 1.2% Q/Q while the labor force in industry and construction contracted by 242,000 in Q2. The textile & garment, wood processing and electronics segments were heavily affected. For example, 83,000 workers in Binh Duong lost their jobs.

Public investment is strong but still lags the aggressive target. To combat the declines in manufacturing, the Government set a plan to increase public investment by 38% in 2023 to VND711tn (\$30bn) to boost growth. June public investment rose 20% M/M and 25% Y/Y to reach 32% of the Government’s plan. Several high-profile projects have begun, such as Ring Road 4 in Hanoi which broke ground in June. Land clearance for the 58km highway is scheduled to be completed by the end of 2023. Public investment should continue to accelerate throughout the year as the Prime Minister pushes for stronger growth.

Retail sales growth declined despite VAT cut and recovering tourism. Job losses and weak consumer sentiment weighed on retail sales, which grew 6.5% Y/Y in June vs 8.1% in May and 12% in April. The slowing growth came despite implementation of a cut in VAT from 10% to 8% for several sectors and despite strong tourism numbers. Vietnam received 5.5mn foreign visitors in H1 (975k in June) vs 3.6mn in all of 2022. S. Koreans made up 29% of June arrivals and a now at 90% of June 2019 levels. Chinese arrivals are still at just 46% of pre-pandemic levels but are rising quickly. To boost tourism, Vietnam extended validity of e-visas to from 30 days to 90 with a multiple entry option. This helped arrivals from countries other than China and S. Korea reaching 102% of June 2019 levels.



(As of 30 June 2023)	1M Δ	3M Δ	1YR Δ	VNI End Weight	TTM P/E	Current P/B	ROE	Beta
Communication Services	2.5%	5.6%	-37.1%	0.1%		1.1	-1.9	1.1
Consumer Discretionary	9.3%	9.9%	-27.9%	3.1%	18.4	2.2	12.5	1.0
Consumer Staples	3.4%	-4.2%	-11.8%	10.3%	26.4	3.0	12.2	0.8
Energy	1.1%	6.4%	6.3%	1.7%	23.0	1.5	6.4	1.1
Financials	5.1%	6.1%	14.8%	40.8%	9.5	1.6	18.2	1.1
Health Care	10.9%	27.6%	23.4%	0.9%	14.9	2.3	17.0	0.6
Industrials	3.4%	13.6%	-8.8%	8.2%	92.7	1.7	5.1	1.1
Information Technology	3.7%	10.7%	-1.6%	2.5%	17.0	3.8	23.9	0.9
Materials	13.5%	20.8%	-5.5%	8.2%	22.9	1.4	6.4	1.4
Real Estate	1.2%	2.1%	-26.7%	17.3%	13.5	1.6	12.2	0.9
Utilities	0.1%	-1.3%	-10.2%	7.0%	11.7	2.0	17.9	0.8
Not Classified	6.1%	11.7%	-23.8%	0.0%	35.4	0.5	-0.3	1.1
VN-Index	4.4%	5.7%	2.5%	100.0%	13.4	1.7	13.8	1.0
VN30	5.9%	5.4%	-8.6%		11.3	1.7	15.7	1.0

Inflation is benign for now but may see a moderate pick-up in Q4. After peaking at 4.9% in January, Y/Y CPI fell every month in H1 and reached 2% in June. Average inflation fell to 3.3%, which is well below the State Bank's threshold of 4.5%. Core inflation has been stickier, remaining above 4% Y/Y in June. The big disinflationary driver of headline inflation has been transportation CPI which fell 12% Y/Y in June as global oil prices and Vietnam petrol prices have fallen throughout the year. During 2022, oil prices fell from a peak of \$125/bbl down to \$80/bbl in Q4. This means that without the benefit of a steep Y/Y decline in oil prices, headline inflation could revert towards core in Q4.

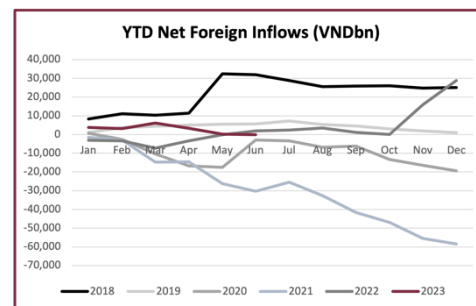
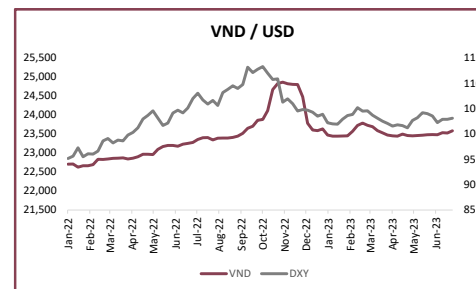
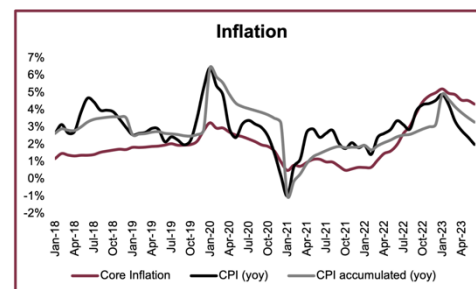
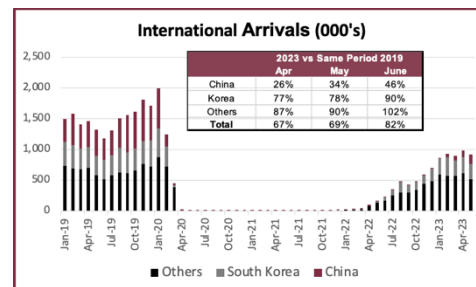
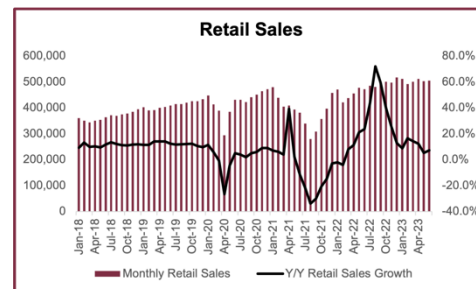
VND is starting to show some mild indications of pressure but holding firm for now. The US dollar strengthened in May and June, first on concerns regarding the US debt ceiling and then on revised expectations for Fed hikes. At the same time, Vietnam cut interest rates and increased government spending. Yet, the VND exchange rate rose a mere 0.28% YTD vs the USD due to strong current account and FDI inflows, even allowing the SBV to rebuild FX reserves. But the current trend is mildly upward and the SBV stopped purchasing reserves in June, indicating there could be some pressures – especially if the Fed continues to raise rates.

Rate cuts spurred domestic demand even as foreigners exited.

VN-Index recorded strong June as retail sentiment improved following rate cuts. Momentum from May carried over into June as the VN-Index rose another 4.4% to close up 11.2% YTD. Materials, healthcare and consumer discretionary were the strongest performing sectors. The index is trading at 15.5x trailing earnings, which is still below its five-year average of 17.7x. Meanwhile Thailand, Indonesia and the Philippines have all recorded losses YTD. Due to this outperformance, the VN-Index P/E is now slightly higher than the JCI and PCOMP indices, but still well below the Bangkok SET.

Asian foreign retail investors sold on caution regarding real estate and corruption investigations. After strong net selling in May (USD130mn) foreign investors continued to sell moderately in June (USD15mn). This was driven in large part by stories in Asian media about Vietnam's real estate difficulties and corruption investigations. These stories impacted investor sentiment even though the articles mainly focused on problems of 2022 that have improved this year. For example, NVL has paid down VND9tn of debts this year and extended 52% of its short-term bonds to next year while restarting several projects.

Trading value surged as retail investor sentiment improved. Average daily trading value rose to USD723.5mn (+38.4% M/M, +15.8% Y/Y) on the HSX and USD843.8mn (+36.2% M/M, +12.0% Y/Y) for the three exchanges combined. Falling interest rates boosted sentiment, especially as high-yielding fixed deposits taken out at the beginning of 2023 started coming due in a lower interest rate environment.



Sources: Bloomberg & Fiiinpro,

As of 30 June 2023	Vietnam VN-Index	Thailand SET Index	Indonesia JCI Index	Philippines PCOMP Index
YTD % Increase / (Decrease)	11.2%	-9.9%	-2.8%	-1.0%
TTM P/E	15.5	20.1	13.9	14.7
P/B	1.7	1.4	1.6	1.9
ROE	12.8	8.2	10.9	11.7
Market Cap (USDbn)	192	512	169	636
3-Month Avg Daily Traded Value USDm	499.5	1,246.5	67.6	660.7
2022 Net Foreign Inflow (USDmn)	1,072.6	5,844.1	4,316.7	(1,245.3)
YTD 2023 Net Foreign Inflow (USDmn)	(44.4)	(3,171.1)	1,098.6	(463.6)
5YR Gov Bond Yield	2.15%	2.31%	5.89%	6.14%

FUND PERFORMANCE COMMENTARY

The SCA fund rose 4.96% in June compared to +4.19% for the VN-Index. Top performers of the fund during June were HPG (+23.35%), DGC (+19.03%), DGW (+17.51%), QNS (+11.83%), MBB (+11.35%) and MWG (+10.46%). Top laggards were PC1 (-8.8%), NTC (-4.9%), and TDM (-4.58%). Top contributors to total return of the fund during June were MWG (+1.09%), HPG (+0.93%), MBB (+0.5%) and FPT (+0.43%).

SCA's outperformance in June was mainly due to: 1, we overweight on chemical, steel and automobile component sectors that delivered positive return while we underweight on real estate and utilities sectors that posted lower relative return; 2, We underweight in bank sector but still outperform this sector performance in the VNIndex thanks to MBB (+11.35%), STB (+7.58%), TCB (+8%) and CTG (+5.36%).

Our top five holdings are FPT (18.17%), MWG (10.62%), STB (4.85%), HPG (4.68%) and MBB (4.44%). Our top holdings contribute 3.31% to SCA's total return in June. We continue to maintain FPT and MWG as the top largest holdings with over 10% weight in SCA's portfolio based on our expectation that the information technology and retail sectors will deliver high long-term growth rates.

Stocks newly added to the SCA's portfolio in 2Q (including DGW, DGC, MSH, SCS, SGP) brought about positive return, driven by:

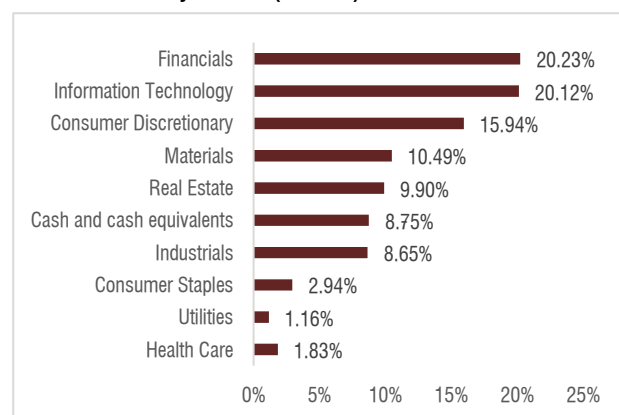
1. The expectation for the recovery of retail sector in 2H2023 and 2024 onwards. Alongside Mobile World (MWG), Digiworld (DGW) is one of the largest B2B suppliers in Vietnam and is expected to experience rapid recovery in line with consumer demand recuperation.
2. The chemical industry is expected to recover from the low base of 1H2023. In which, DGC is the leading player in the chemical industry to benefit from the recovery in both output and selling price in the coming quarters.
3. We expect that export and seaport sectors will deliver a positive momentum in the next two quarters of 2023 given that export activities have potential for recovery starting from Q4 2023, as major export markets (US and Europe) are freeing up their inventory.

With a good return in June, SCA posted +16.45% in 6M2023 compared to +11.23% of VN-Index. SCA delivered the outperformance in return by 5.22% in 1H2023. Top contributors to total return of the fund in 1H2023 were:

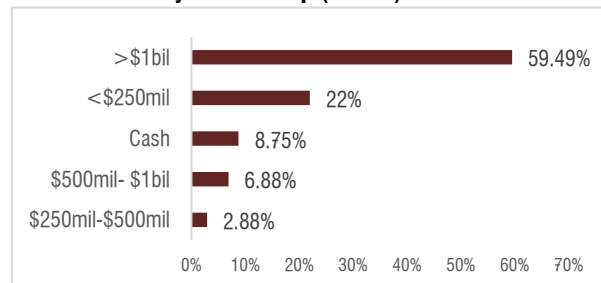
Fund statistics as of 30/06/2023 (12-months)

	SSI – SCA	VN-Index
Volatility (Std) (%)	23.63	20.83
Sharpe Ratio	-0.16	-0.34
P/E Ratio TTM	11.74	13.43
P/B Ratio Current	1.83	1.72
Beta	0.97	1.00

Fund Allocation by Sector (% NAV)



Fund Allocation by Market Cap (%NAV)



1. FPT (2.36%): Led by the ability to maintain sustainable profit growth. Despite the economic difficulties, FPT still achieved revenue growth of 23% YoY and NPAT growth of 19% YoY in 5M2023 thanks to the outstanding performance of technology, telecommunications and education segments.
2. HPG (1.84%): 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.
3. STB (1.52%): STB is expected to be the bank achieving the highest NPAT growth in 2023.
4. QNS (1.28%): As the company delivered impressive business results with EBT growth of 104% in 5M2023, led by the outstanding growth of the sugar segment.
5. TV2 (1.2%) and NTC (1.16%): Benefit from the long-term prospect of electricity construction (TV2) and Nam Tan Uyen 3 industrial park project (NTC) is expected to lead NTC's business results since 2024.

Ticker	Company Name	Sector	% NAV	Mkt Cap (USD m)	TTM P/E	Current P/B	ROE%
FPT	FPT Corp	Information Technology	18.17	4.027	16.76	4.13	26.64
MWG	Mobile World Investment Corp	Consumer Discretionary	10.62	2.686	23.63	2.65	11.70
STB	Saigon Thuong Tin Commercial JSB	Financials	4.85	2.382	9.91	1.39	14.90
HPG	Hoa Phat Group JSC	Materials	4.68	6.448	228.99	1.58	0.68
MBB	Military Commercial Joint Stock Bank	Financials	4.44	3.884	5.10	1.13	24.79

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

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.