

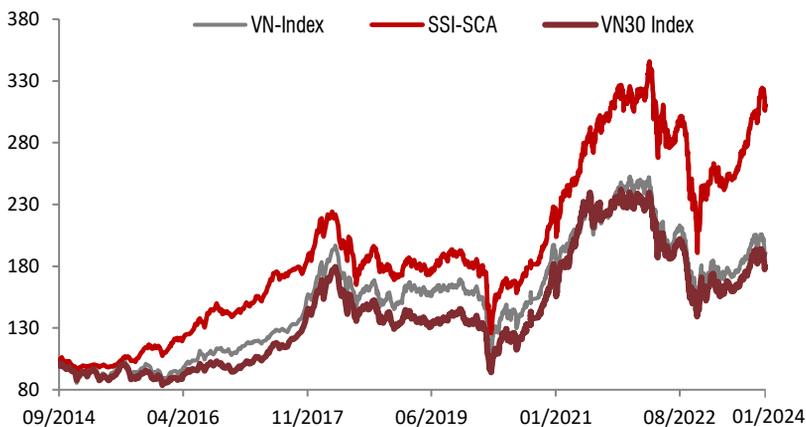
SSI SUSTAINABLE COMPETITIVE ADVANTAGE FUND (SSI-SCA)

January, 2024

FACTSHEET

Name of the Fund	SSI Sustainable Competitive Advantage Fund
Fund code	SSI-SCA
Type	Open-Ended Fund
Inception date	26/09/2014
Fund Management Company	SSI Asset Management Co., Ltd https://www.ssiam.com.vn
Custodian & Supervisory Bank	Standard Chartered Bank (Vietnam)
Transfer Agent	Viet Nam Securities Depository And Clearing Corporation (VSDC)
Distributor	SSIAM, SSI, VCBS, BVSC, MBS, HSC, VNDS, FINCO, MAS, TVS
Redemption gate per trading period	10%/ Net Asset Value
Minimum subscription amount	VND 10,000 (ten thousand dong)
Fund size	VND 481.744 billion (~ USD 19.727 million) (as of 31 January 2024)
Expected Return	13% - 15% /year

FUND PERFORMANCE



	NAV/ Unit (VND)	Performance							
		2019	2020	2021	2022	2023	1M	YTD	Since Inception
SSI-SCA	32,013.33	3.9%	18.6%	49.9%	-26.1%	28.4%	4.69%	4.69%	220.13%
VN-Index	1,164.31	7.7%	14.9%	35.7%	-32.8%	12.2%	3.04%	3.04%	92.45%

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	
From VND 1 thousand to VND 1 billion	0.75%
From VND 1 billion to VND 10 billion	0.50%
From more than VND 10 billion	0.25%
Redemption Fee	
Holding period within 12 months	1.25%
Holding period from 12 to 24 months	0.75%
Holding period above 24 months	Free
Switching fee	Free
Transfer fee	Free
Systematic investment plan (SIP) or Flexible SIP	Free
Break SIP Fee	0.75%
Redemption fee applied for flexible SIP	
Holding period below 12 months	2.00%
Holding period from 12 to 24 months	1.25%
Holding period above 24 months	Free

PORTFOLIO MANAGER INFORMATION

Mr. Bui Van Tot, CFA - Portfolio Manager

Joined SSIAM in 2015. Currently, Mr. Tot is being Portfolio Manager of SSI Sustainable Competitive Advantage Fund and responsible for other institutional managed accounts.

Having the experience years in research & investment, he worked as senior research analyst of FPT Securities.

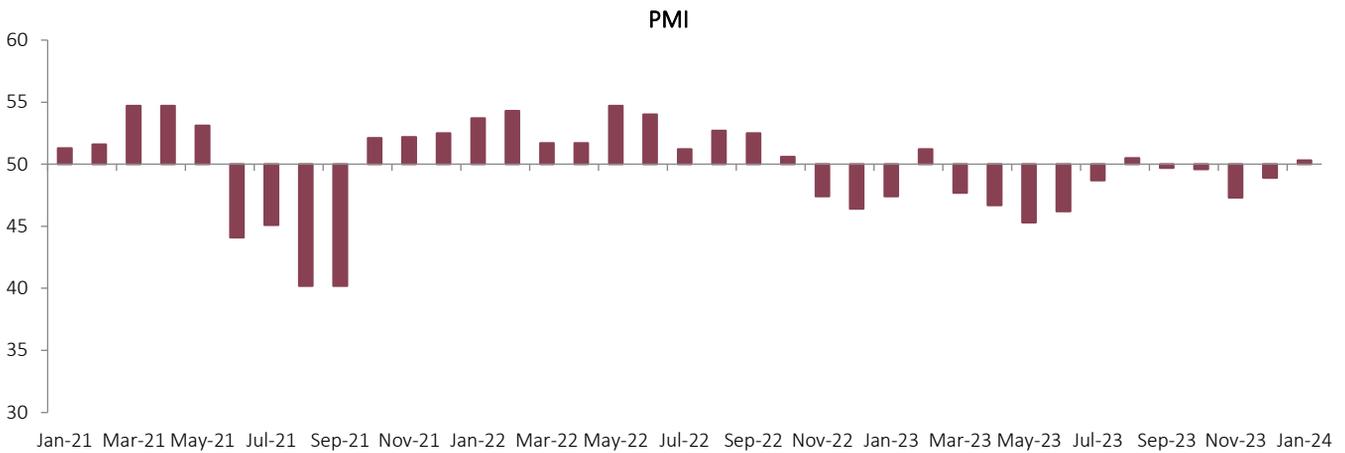
BA in International Business from HCM Foreign Trade University.

MACRO & MARKET COMMENTARY

The manufacturing sector strengthened in January

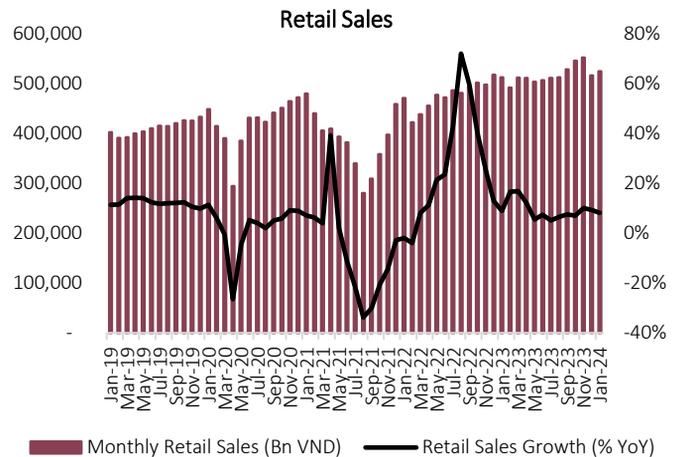
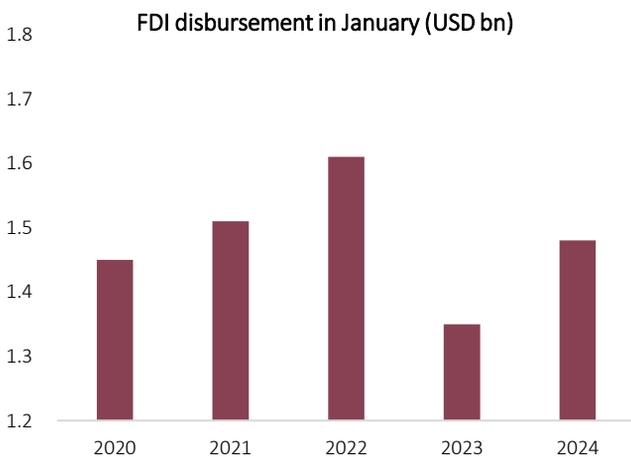
Vietnam’s economic growth was reinforced in Jan 2024 with firm expansion of manufacturing sector and robust FDI inflows. The economy maintained its stability with low inflation and relatively stable Dong, thus likely encouraging the State Bank of Vietnam (SBV) to lower interest rates further this year.

Improvement in the manufacturing sector was substantiated in January as the PMI returned to expansionary territory in line with the currently upward momentum of the Index of Industrial Production (IIP). The manufacturing PMI broke above the 50 expansion – contraction dividing line and finished at 50.3, up from 48.9 in the previous month. Output expanded for the first time since Aug 2023, and new orders increased on the back of improvement in local and export markets. The reading on the ASEAN manufacturing PMI also indicates that the manufacturing sector recovered across the ASEAN countries. We expect the country’s manufacturing sector to sustain its expansion rate due to (i) improvement in domestic and export markets, and (ii) firm FDI inflows into Vietnam. However, the Israel – Hamas war began to exert pressure on firms’ input prices following increased transportation costs, but they still managed to reduce their output prices to stimulate demand.



Source: SSIAM, GSO

Public investment and FDI continued to be the growth engines of the whole economy while consumption strengthened before the Tet holiday. Public investment recorded a double – digit growth rate of 12.5% YoY, up from only 5.6% over the same period last year. FDI disbursement rose 9.6% YoY to USD 1.5bn, and FDI commitment surprisingly soared 40.2% YoY to USD 2.4bn, primarily driven by USD 1.3bn worth of FDI inflows into real estate sector. Retail sales increased by 8.1% YoY in nominal terms or 5.8% in real terms, led by tourism (+18.5% YoY) and accommodation & catering services (+10.2% YoY).

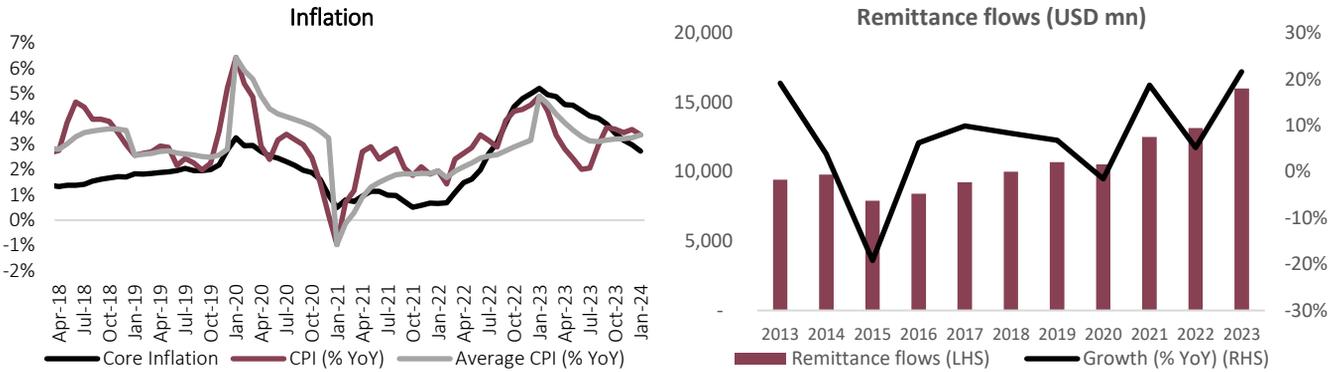


Source: SSIAM, GSO

Inflation remained well below the Government’s target in January. Headline inflation increased by 0.31% MoM or 3.37% YoY in January mostly due to administered prices, including healthcare fees and electricity prices. The health and personal care index rose 1.02% MoM as some provinces raised their medical treatment costs. The accommodation & construction materials index increased by 0.56% MoM due to upward adjustment of electricity price in the previous month. Core inflation trended lower and finished at 2.72% YoY, down from 2.98% in December. As inflation remained well below the Government’s target and liquidity was abundant at banks, we continue to expect the SBV to lower interest rates further to stimulate economic growth.

MACRO & MARKET COMMENTARY (cont.)

The Dong weakened against the US dollar in January due to seasonal effect and external pressure. The Dong depreciated by 0.7% against the greenback in the official market and nearly 1.0% in the unofficial market. The weaker Dong could be predicated on (i) seasonally high demand for the US dollar at the beginning of the year, (ii) stronger DXY, and (iii) abundant liquidity at banks. However, we maintain our confidence in the strength of the Dong this year following the country’s solid fundamentals, including firm trade surplus, resilient FDI inflows, and robust remittances. The trade balance was estimated to record a surplus of USD 2.9bn in January due to stronger exports of USD 33.6bn (+6.7% MoM). Remittance inflows reached the record high of USD 16bn in 2023.



Source: SSIAM, GSO

The VN-Index extended its winning streak and increased by 3.0% in January, primarily driven by bank stocks. Foreign investors returned to the market and became net buyers for the first time since March 2023 with a total net buy of USD 53mn. They mostly accumulated bank stocks, including VCB (USD 37mn), STB (USD 31mn), and VPB (USD 27mn). In contrast, ETFs continued to experience outflows of around USD 46mn in January. The rally of bank stocks could be predicated on (i) their attractive valuation, and (ii) improvement in their fundamentals.

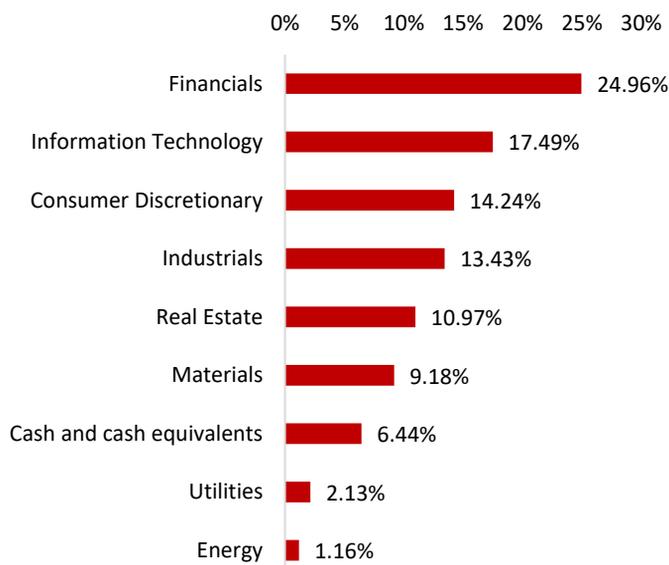
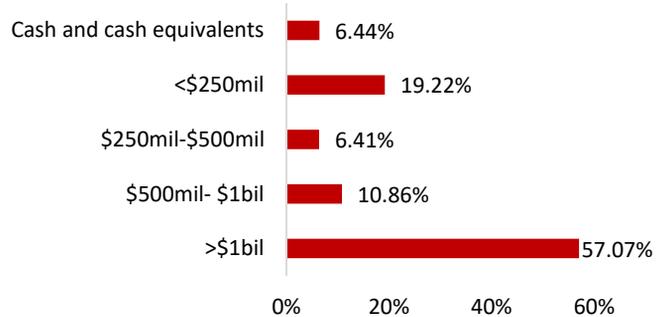
The valuation of the VN-Index remains reasonable and relatively attractive at 14.9 times trailing earnings given the prospect for 2024 earnings growth of 15 – 18% YoY, and expectation of emerging market upgrade. Looking ahead, we believe that the market might focus on listed firms’ financial targets for 2024. We remain bullish on bank stocks due to (i) possibly stronger credit growth in 2024, (ii) slight improvement in net interest margin (NIM), and (iii) well-controlled asset quality. Besides, the industrial park sector could attract the market’s attention due to resilient FDI inflows into Vietnam and expansion of manufacturing sector.

As of 31 Jan 2024	1M	3M	1YR	VNI End Weight	TTM P/E	Current P/B	ROE	BETA
Communication Services	-4.1%	-5.6%	-4.1%	0.1%	24.2	1.1	3.3	1.1
Consumer Discretionary	4.9%	18.8%	4.9%	3.3%	33.2	2.4	5.9	1.1
Consumer Staples	-3.2%	5.2%	-3.2%	8.8%	22.2	2.7	11.9	0.8
Energy	-1.0%	10.9%	-1.0%	1.6%	15.4	1.4	9.5	1.1
Financials	8.2%	15.0%	8.2%	44.6%	9.8	1.6	17.7	1.1
Health Care	0.4%	2.7%	0.4%	0.7%	14.0	2.0	15.5	0.6
Industrials	-0.3%	18.1%	-0.3%	8.4%	18.6	1.8	7.9	1.1
Information Technology	-0.6%	16.3%	-0.6%	3.0%	19.3	4.4	24.4	0.9
Materials	1.0%	21.6%	1.0%	8.5%	21.1	1.5	6.6	1.4
Real Estates	-2.4%	9.7%	-2.4%	14.7%	13.5	1.3	9.6	1.0
Utilities	0.4%	2.5%	0.4%	6.4%	15.1	2.0	13.2	0.8
VN-Index	3.0%	13.2%	3.0%	100%	14.9	1.7	12.3	1.0
VN30	3.1%	12.2%	3.1%		11.7	1.5	14.0	

Source: SSI AM

FUND PERFORMANCE COMMENTARY
Fund statistics (12-months)

	SSI – SCA	VN-Index
Volatility (Std)	16.26%	16.44%
Sharpe Ratio	1.33%	0.17%
P/E Ratio TTM	12.73x	14.89x
P/B Ratio Current	1.92x	1.71x
Beta	1.04	1.03

Fund Allocation by Sector (% NAV)

Fund Investment List Allocation by Market Cap (% NAV)

TOP HOLDINGS (% NAV)

Ticker	Company Name	Sector	% NAV	Mkt Cap	P/E TTM	P/B	ROE (%)
				(USD m)			
FPT	FPT Corporation	Information Technology	17.49%	4,976.29	18.74	4.86	28.11%
MWG	Mobile World Investment Corporation	Consumer Discretionary	8.00%	2,694.51	394.74	2.82	0.71%
ACB	Asia Commercial Joint Stock Bank	Financials	6.44%	4,095.09	6.23	1.41	24.80%
MBB	Military Commercial Joint Stock Bank	Financials	4.87%	4,643.42	5.48	1.22	24.51%
HPG	Hoa Phat Group Joint Stock Company	Materials	4.42%	6,606.90	23.61	1.23	6.88%

FUND PERFORMANCE COMMENTARY (cont.)

The SSI-SCA fund posted 4.7% in Jan 2024 compared to +3.0% of the VN-Index. Top performers of the fund were TV2 (+40.8%), DRC (+20.8%), MBB (+16.6%), CTG (+16.6%) and DHC (+11.3%). Top laggards were VRE (-3.7%), PVS (-3.4%), GMD (-3.4%) and REE (-1.4%).

SCA's outperformance in Jan 2024 was mainly attributed to:

- We underweighted on banking sector but still achieved positive relative return since our banks performed rather well during the month like ACB (+7.7%), MBB (+16.6%), CTG (+16.6%), TCB (+8.7%) and STB (+7%).
- We overweighted on sectors that outperformed VN-Index in January such as Consumer Durables & Apparel (MSH +7.4%, PNJ +6.4%), Automobiles & Components (DRC +20.8%), Capital Goods (TV2 +40.8%) and Materials (DHC +11.3%).

Our top five holdings are FPT (17.5%), MWG (8.0%), ACB (6.4%), MBB (4.9%) and HPG (4.4%). Top holdings contributed +1.6% to SCA's total return in Jan 2024. FPT and MWG has just released business plans for 2024 that show a firm confidence of companies' management about the recovery of business activities this year. In specific, FPT targets to grow revenue and PBT at 17.5% yoy and 18.2% yoy, respectively while MWG sets a 2024 target PAT at VND 2,400bn from the significantly low level in 2023 of VND 168bn.

Top contributors to total return of the fund in Jan 2024 were:

1. TV2 (+2.2%): We believe TV2's price increase in Jan was almost attributed to the long-term prospect of Vietnam's electricity infrastructure construction sector, premised by the 500 kV national transmission line project with total investment value of VND 23 tn. In which, TV2 will be the leading design consultant of 62% total backlog.
2. MBB (+0.7%), CTG (+0.7%) and ACB (+0.5%): The banking sector led the rise of VN-Index in Jan thanks to the news on target credit growth of the whole banking system at 14% in 2024, coupled with the expectation of reducing NPL ratio from 4Q onwards. Banks are also traded at attractive valuation level.
3. DRC (+0.7%): DRC market price accelerated due to the better outlook of the US market after the US DOC officially enacted the antidumping tax tariff on Thailand TBR tires exporting to this market. Besides, DRC has already put the third phase of radial factory into operation, increasing the designed capacity of radial factory from 600 thousands tires to 1 million tires from the 2nd quarter of 2024.

DISCLAIMER

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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.

AWARDS



TẠP CHÍ ALPHA SOUTHEAST ASIA	TẠP CHÍ THE ASSET	TẠP CHÍ ASIANINVESTOR	TẠP CHÍ ASIA ASSET MANAGEMENT
<ul style="list-style-type: none"> “Best Overall Asset & Fund Manager” in 2020, 2021, 2022, 2023. “Best Fund Manager for Insurance, ILP Mandates & Private Retirement Schemes” in 2020, 2021, 2023. “Best Fund Manager (Balanced Fund)” in 2021 	<ul style="list-style-type: none"> “Asset Management Company of the Year - Vietnam” in 2012, 2014, 2021, 2022, 2023. “Fund Management Company of the Year (Onshore)” in 2015, 2016, 2017, 2018 “ETF Provider of the Year” in 2021 	<ul style="list-style-type: none"> “Best Vietnam onshore Fund House” in 2010 “Best Asset Management Company in Vietnam” in 2015, 2016, 2017, 2018 “Best Business Development” 2022 	<ul style="list-style-type: none"> “Best Fund House in Vietnam” in 2012, 2013, 2016 “CEO of the Year” for Ms. Le Thi Le Hang in 2012, 2013, 2014, 2015, 2016, 2020, 2022 “CIO of the Year” in 2013, 2014, 2015 “Fund Launch of the Year” in 2020

CONTACT INFORMATION

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