



SSI SUSTAINABLE COMPETITIVE ADVANTAGE FUND (SSI-SCA)

November, 2024

FUND INFORMATION

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, FINCO, MAS, TVS
Redemption gate per trading period	10%/ Net Asset Value
Minimum subscription amount	VND 10,000 (ten thousand dong)
Fund size	VND 768.69 billion (~ USD 30.26 million) (as of 30 Nov 2024)

INVESTMENT OBJECTIVES & STRATEGY

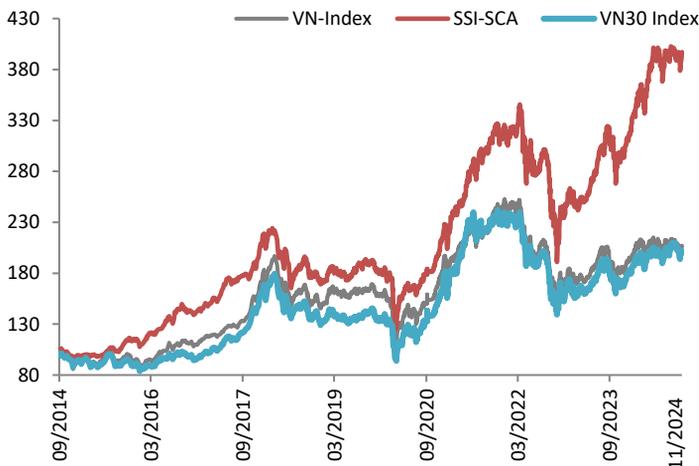
The Fund pursues long-term capital appreciation and regular return through investment in companies with sustainable competitive advantages and fixed income assets.

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.

FUND PERFORMANCE

Period	Date	1 month	3 months	YTD	Since inception
Date	30/11/2024	31/10/2024	31/08/2024	31/12/2023	
NAV/unit	39,719.03	0.40%	-0.20%	29.89%	297.19%
VN-Index	1,251.21	-1.05%	-2.54%	10.73%	106.82%
VN30-Index	1,311.26	-2.04%	-1.52%	15.89%	101.85%



FUND MANAGERS

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FEES

Subscription Fee

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

Holding period within 12 months	1.25%
From more than 12 months to 24 months	0.75%
More than 24 months	Free

Switching fee

Transfer fee	Free
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Subscription Fee applied for flexible SIP (SIPLH)

Subscription Fee applied for flexible SIP (SIPLH)	Free
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Fee applied for exiting systematic investment plan (SIP) before reaching the minimum investment period

Fee applied for exiting systematic investment plan (SIP) before reaching the minimum investment period	0.75%
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Redemption fee applied for flexible SIP

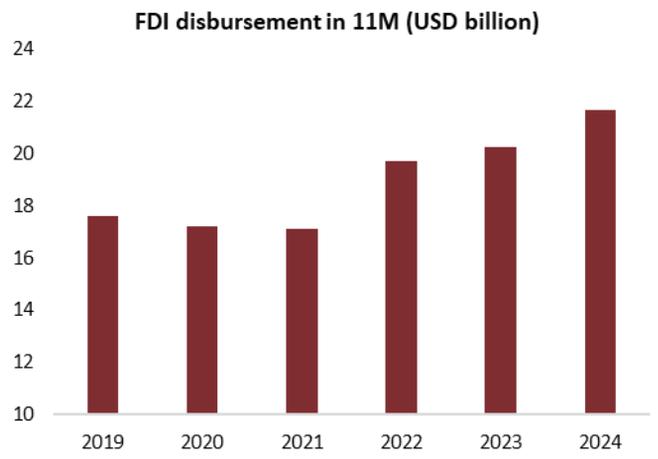
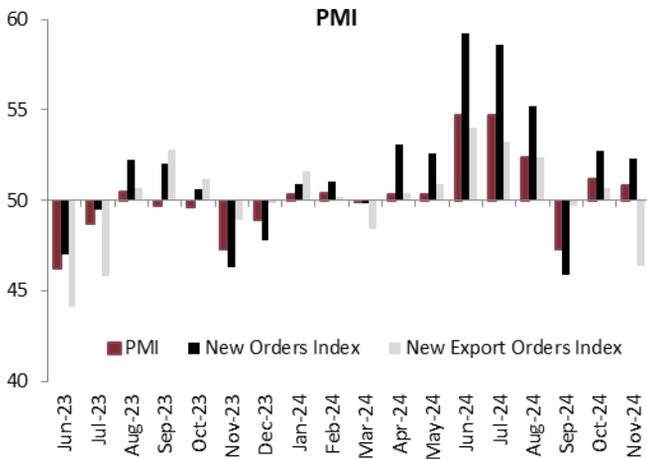
Holding period within 12 months	2.00%
From more than 12 months to 24 months	1.25%
More than 24 months	Free

MACRO UPDATES – NOVEMBER 2024

Manufacturing activities and domestic consumption improved in November

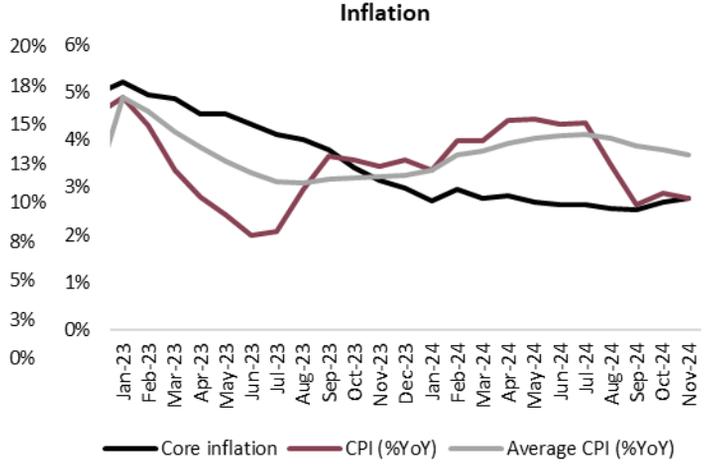
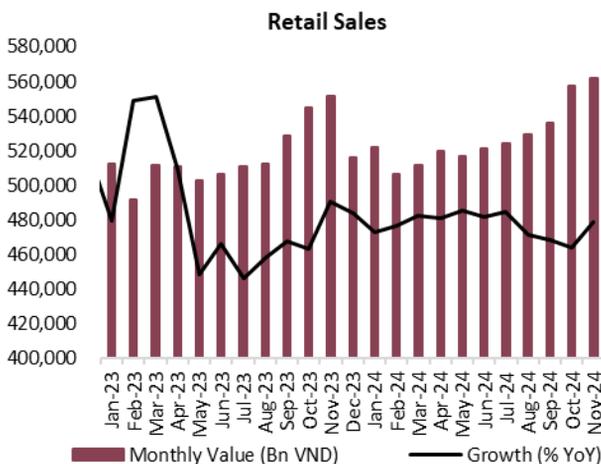
The manufacturing sector continued to expand in November. The index of industrial production (IIP) increased by 2.3% month-over-month (MoM) or 8.9% year-over-year (YoY), with strong growth in key exports products such as furniture (up 24.5% YoY), clothing (up 18.1% YoY), and electronics (up 12.0% YoY). Trade activities, closely linked with industrial production, were solid in November with high single-digit growth in both exports (up 8.2% YoY) and imports (up 9.8% YoY). The growth of employees in the manufacturing sector remained positive at 4.4% YoY in November albeit slightly lower than October. Trade surplus amounted to USD 1.1 billion in November and USD 24.3 billion through the first 11 months of the year. Meanwhile, the manufacturing PMI remained in expansionary territory at 50.8, slightly lower than October reading of 51.2. Both production output index (51.3) and new orders index (52.3) saw growth although the pace of growth was softer than previous months.

Foreign direct investment (FDI) remained resilient in November with FDI disbursement over the first 11 months of 2024 increasing by 7.1% YoY to USD 21.7 billion, which is the highest level in the past five years. FDI commitments grew by 1.0% YoY to reach USD 31.4 billion, with new registrations of several large projects in November such as LG Display (USD 1 billion). Public investment accelerated in November and rose by 2.4% YoY over the first 11 months of this year, achieving VND 572 trillion (USD 22.9 billion) or 73.5% of the full-year target. Regarding private investments, credit growth reached 12.5% through December 7, which was higher than 9% growth recorded in the same period in 2023 and indicated stronger credit demand – a positive sign for the economy. To promote credit growth, the State Bank of Vietnam provided additional credit quota to the banking sector for the 2nd time this year (1st time was in August), maintaining its accommodative stance regarding monetary policies.



Consumption was a bright spot in November, with retail sales increasing by 8.8% YoY up from 7.1% YoY in October. For the first 11 months of 2024, retail sales grew by 8.8% YoY, which remained below pre-COVID levels of 10-12%. Stronger tourism activities supported retail sales as the number of international visitors continued to grow strongly 20.5% MoM and 38.8% YoY in November. Year-to-date, this number reached over 15.8 million, up meaningfully 41.0% YoY but still slightly below pre-COVID level in 2019.

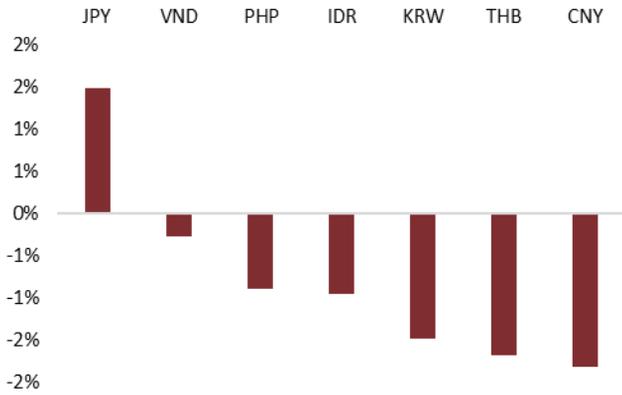
November saw headline CPI rising 0.13% MoM, primarily due to an increase in accommodation & construction materials prices (up 0.87% MoM) partially offset by a decline in food prices (down 0.22% MoM). On a YoY basis, headline inflation moderated slightly to 2.77% YoY in November from 2.89% YoY in October. Thus, inflation averaged 3.69% YoY over the past 11 months, well under control within the Government’s target range of 4.0% – 4.5% YoY for 2024.



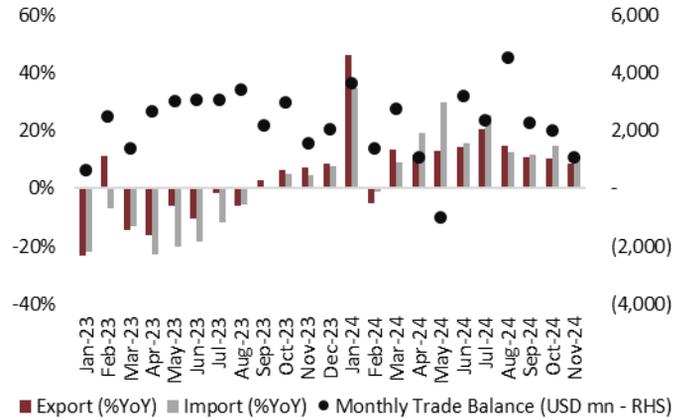
MACRO UPDATES – NOVEMBER 2024

Donald Trump’s victory in the U.S. presidential election drove the US dollar higher in November with the DXY up 1.7% MoM. His protectionist rhetoric around imposing heavy tariffs on imports from China (60%) and other countries (20-30%) raised significant concerns that inflation could rebound higher in the U.S., which will hamper the FED’s ability to ease monetary policies. The USD/VND exchange rate rose modestly by 0.3% in November under pressure from a stronger greenback, but the VND was also supported by another 25bps policy rate cut by the FED during the month. VND interbank rates rising to a range of 4.0-6.0% before easing towards the end of the month also supported the VND in November. While upside risks to USD/VND exchange rate remain given uncertainties regarding President-elect Trump’s policies when he takes office in January, we expect another likely rate cut by the FED in December will help ease the pressure on the VND at least in the near term.

Performance of regional currencies in November



Trade



The VN-Index dropped 1.1% to 1,250 in November. Weak market performance was primarily due to heightened investor concern around the potential impact of Trump’s protectionist policies on Vietnam’s highly open economy as well as their broader implications on the trajectory of exchange rates & interest rates. The uncertainties arising from Mr. Trump’s election triggered significant outflows by foreign investors with net outflows of over USD 470 million. From a sector perspective, the consumer discretionary, financials, energy, and materials sectors were the biggest laggards in November. Meanwhile, the IT and industrials sectors bucked the trend and ended up in the green. Notably, FPT rose 6% MoM on continued investor enthusiasm around AI and low risk to potential U.S. tariff.

Market concerns with respect to Trump’s election might be overblown. While we acknowledge there exist risks with respect to U.S. inflation & monetary policies under the new Trump administration that need to be monitored, we remain confident that Vietnam will continue to be an attractive FDI destination given its structural competitive advantages in terms of location, cost, and market access. Importantly, regardless of how these external factors might play out, we are encouraged by the strong determination of Vietnam’s government leadership in promoting economic growth. To illustrate, the National Assembly recently approved the investment policy for the North-South high-speed railway project with total investment capital of USD 67.3 billion and construction schedule 2027-2035. The Ministry of Planning and Investment estimates this project could add ~1% to annual GDP growth rate during construction.

The VN-Index is trading at a trailing P/E ratio of 14.7x, below its average P/E ratio of 17.1x over the past 4 years. In our view, recent market weakness was driven by an overreaction to Trump’s election. We maintain our bullish view on Vietnam’s stock market over the medium term, which is predicated upon: 1) further rate cuts by the FED, 2) stronger corporate earnings growth in 2025, underpinned by a more robust real estate market and better domestic consumption, 3) the potential for market upgrade by FTSE.

As of 29 November 2024	1M	3M	YTD	2023	VNI End Weight	TTM P/E	Current P/B	ROE	BETA
Communication Services	1.8%	6.9%	6.7%	1.1%	0.1%	28.0	1.2	4.2	0.5
Consumer Discretionary	-4.5%	-4.6%	26.7%	4.1%	3.7%	25.5	2.6	10.8	1.0
Consumer Staples	-1.1%	-3.5%	-1.1%	-13.5%	8.3%	20.2	2.6	14.0	0.9
Energy	-3.5%	-12.0%	7.1%	19.6%	1.5%	18.1	1.5	8.4	0.9
Financials	-2.2%	2.1%	15.9%	21.7%	44.8%	9.7	1.5	17.1	1.0
Health Care	0.2%	-0.4%	12.0%	12.4%	0.8%	19.0	2.2	12.4	0.6
Industrials	3.0%	-0.2%	8.2%	24.8%	9.0%	18.8	1.9	8.5	1.0
Information Technology	6.1%	10.9%	65.6%	44.1%	4.6%	28.1	6.3	24.7	1.0
Materials	-2.2%	-4.0%	14.8%	42.9%	8.8%	18.3	1.7	9.5	1.2
Real Estate	-0.6%	0.7%	-6.5%	-4.5%	12.8%	16.9	1.2	7.1	1.1
Utilities	-0.5%	-8.7%	-1.8%	-2.5%	5.7%	18.0	2.0	11.0	0.7
VN-Index	-1.1%	-2.4%	10.7%	12.2%	100%	14.7	1.7	12.5	1.0
VN30	-2.0%	-1.2%	15.9%	12.6%		11.4	1.6	14.8	

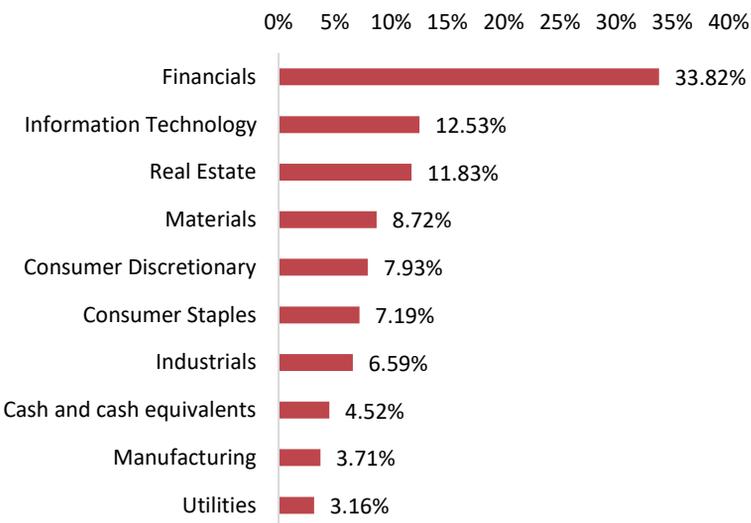


FUND PERFORMANCE COMMENTARY

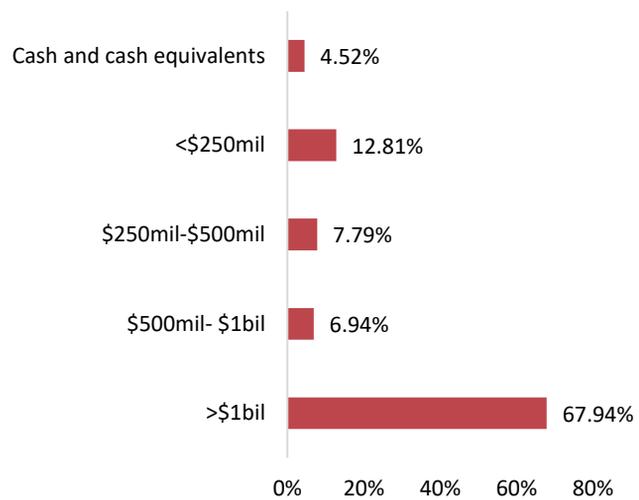
Fund statistics (12-months)

	SSI – SCA	VN-Index
Volatility (Std)	13.90%	13.52%
Sharpe Ratio	2.59%	0.97%
P/E Ratio TTM	11.67x	13.32x
P/B Ratio Current	1.88x	1.67x
Beta	0.95	1.00x

Fund Allocation by Sector (% NAV)



Fund Investment Allocation by Market Cap (% NAV)



TOP HOLDINGS (% NAV)

Ticker	Company Name	Sector	% NAV	Mkt Cap	P/E	Current P/B	ROE (%)
				(USD m)			
FPT	FPT Corp	Information Technology	12.53%	8,375.10	27.96	7.05	28.07
ACB	Asia Commercial Bank	Financials	9.91%	4,440.93	6.93	1.43	22.31
CTG	VietinBank	Financials	7.29%	7,574.26	8.90	1.37	16.52
HPG	Hoa Phat Group JSC	Materials	5.11%	6,750.56	14.04	1.53	11.53
TCB	Vietnam Technological & Commercial JSB	Financials	4.04%	6,559.714	7.35	1.16	16.80



FUND PERFORMANCE COMMENTARY

The SCA fund increased by 0.40% in Nov 2024, compared to -1.05% for the VN-Index. The top performers of the fund were MSH (+9.8%), BWE (+6.8%), FPT (+6.2%), FMC (+5.2%), REE (+4.8%), SZC (+4.5%), QNS (+4.1%) and SCS (+3.7%). The top laggards were MWG (-9.0%), STB (-5.4%), and VCI (-4.5%).

SCA's outperformance in Nov 2024 was mainly due to:

- We overweighted sectors outperforming the VN-Index, noticeably including (1) IT sector driven by FPT (+6.2%), and (2) Industrials sector driven by REE (+4.8%), SZC (+4.5%), SCS (+3.7%).
- We underweighted the Financials sector, the worst sector performer in Nov 2024.
- We underweighted the Consumer Staples sector and Utilities sector, but still outperformed VN-Index by our allocation in FMC (+5.2%), QNS (+4.1%), and BWE (+6.8%).

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

- 1. FPT (+6.2%):** In 10M2024, FPT announced positive business results as revenue posted VND 50.7tn (+19.6% YoY) and NPAT post-MI posted VND 6.5tn (+21% YoY). Particularly, PBT of the Technology segment, Telecommunication segment, and Education, Investment & Others segments were up by +24.2% YoY, +15.5% YoY, and +17.9% YoY, respectively, leading FPT's consolidated PBT growth of +20.0% YoY and NPAT post-MI growth of +20.5% YoY in 10M2024.
- 2. MSH (+9.8%):** MSH's stock price was positive in October due to the expectation that textile orders will transfer from China's factories to Vietnam's factories in 2025, coupled with the profit contribution of MSH's new factory from 2025.
- 3. BWE (+6.8%):** BWE price increased in October driven by the information that the company will accelerate the Nhi Thanh Water Plant Project with designed capacity of 60,000m³/day. We expect BWE's outlook to be positive for the period of 2024-2025 due to (1) BWE's business model delivering solid profit growth, and (2) BWE's valuation having an attractive upside in the long term.

In 11M2024, the SCA fund increased by 29.89% compared to 10.73% for the VN-Index, delivering an excess return of 19.16%. At the end of Nov 2024, our top five holdings were FPT (12.5%), ACB (9.9%), CTG (7.3%), HPG (5.1%), and TCB (4.0%). Our top holdings contributed 18.0% to SCA's total return in 11M2024.

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.

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.

VLGF is an absolute return fund and therefore, does not have any benchmark. VN-Index and VN30 performance in the factsheet is only used as a point of reference to provide information for investors.

AWARDS



ALPHA SOUTHEAST ASIA	THE ASSET	ASIANINVESTOR	ASIA ASSET MANAGEMENT
<ul style="list-style-type: none"> • “Best Overall Asset & Fund Manager” in 2020, 2021, 2022, 2023, 2024. • “Best Fund Manager for Insurance, ILP Mandates & Private Retirement Schemes” in 2020, 2021, 2023, 2024. • “Best Fund Manager (Balanced Fund)” in 2021 • "Best online & Mobile Platform (Asset Manager)" in 2024 	<ul style="list-style-type: none"> • “Asset Management Company of the Year - Vietnam” in 2012, 2014, 2021, 2022, 2023, 2024. • “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 Asset Management Company in Vietnam” in 2010 • “Best Asset Management Company” in 2015, 2016, 2017, 2018 • "Best Business Development" in 2022 • “Asset Management Market Awards – Vietnam” in 2024 	<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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