

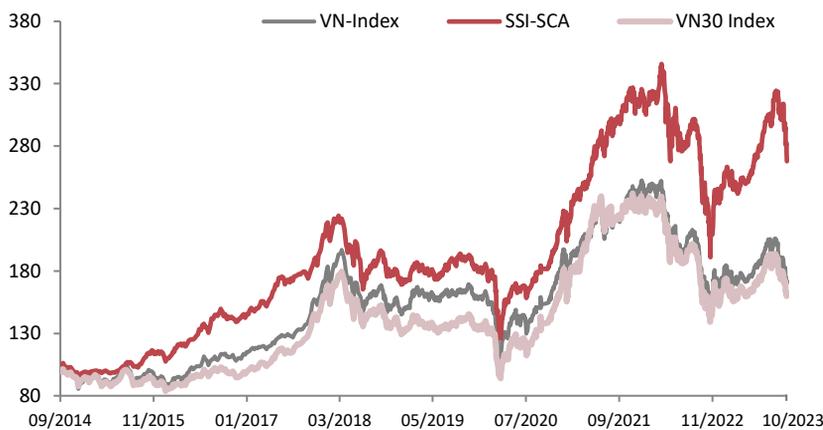
SSI SUSTAINABLE COMPETITIVE ADVANTAGE FUND (SSI-SCA)

October 2023

FACT SHEET

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 492,02 billion (~ USD 20,027 million) (as of 31 October 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	Viet Nam Securities Depository And Clearing Corporation (VSDC)
Distributors	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)
Targeted Return	13% - 15% /year

FUND PERFORMANCE



	NAV/ Unit (VND)	Performance							
		2018	2019	2020	2021	2022	1M	YTD	Since Inception
SSI-SCA	26,790.76	-12.1%	3.9%	18.6%	49.9%	-26.1%	-13.61%	12.52%	167.91%
VN-Index	1,028.19	-9.3%	7.7%	14.9%	35.7%	-32.8%	-10.91%	2.10%	69.95%

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 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 below 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
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 from 12 to 24 months	1.25%
Holding period above 24 months	Free

PORTFOLIO MANAGER BIO

Mr. Bui Van Tot, CFA - Portfolio Manager

Joined SSIAM in 2015. Supported the offshore SIF fund before being promoted to PM of the SCA fund in 2020.

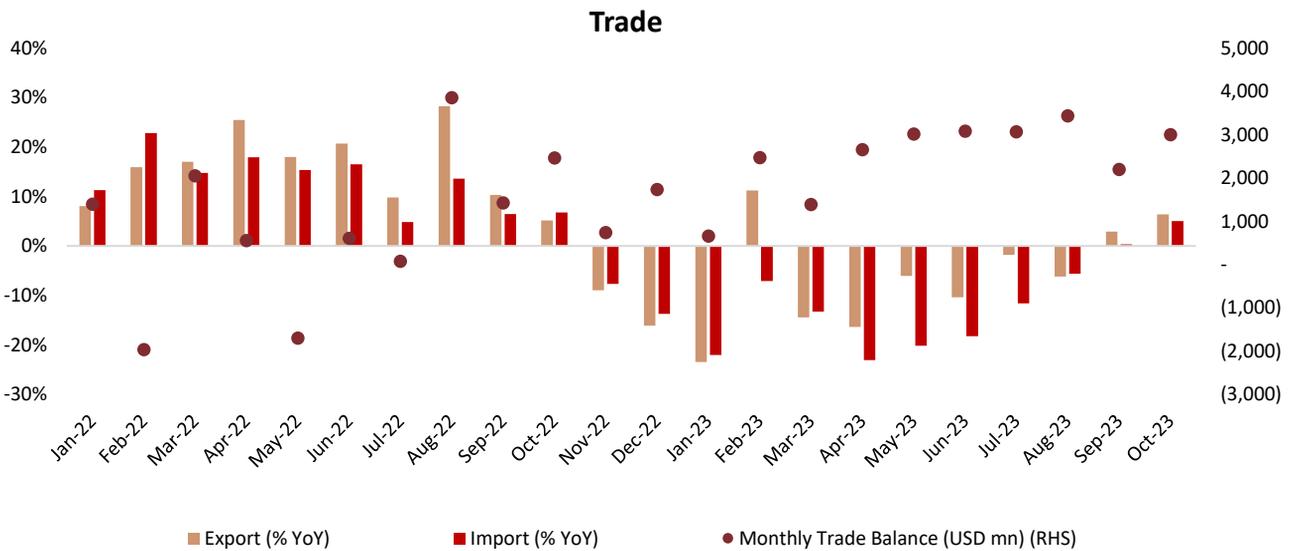
Previously worked as senior research analyst of FPT Securities and Head of Finance Department of AIESEC Vietnam.

BA in International Business from HCM Foreign Trade University.

MACRO & MARKET COMMENTAR

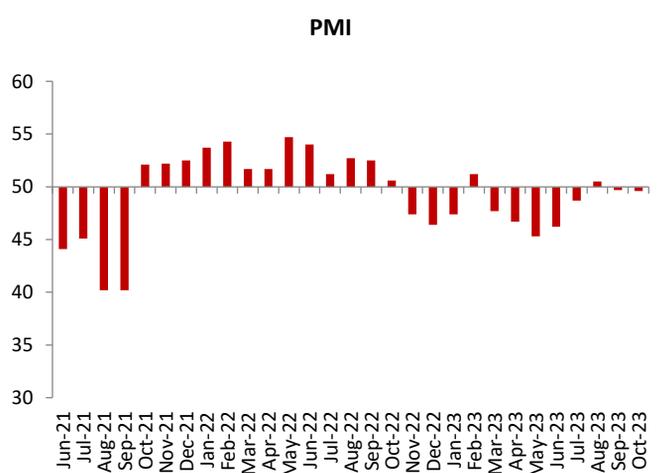
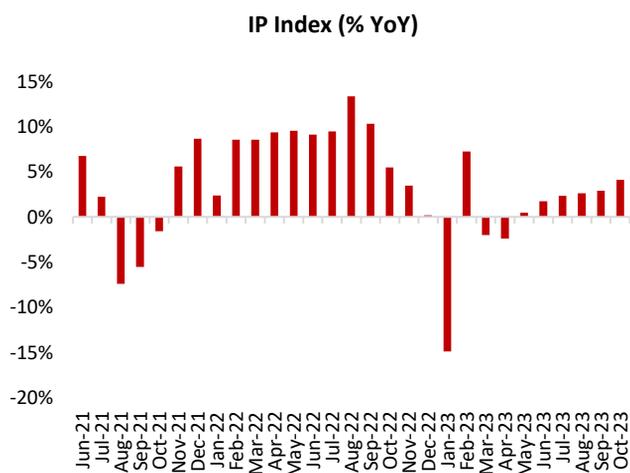
Exports continues to strengthen

Vietnam’s trade surplus widened in October thanks to continual improvement of exports. Export growth was estimated at 5.9% YoY and finished at USD 32.3bn in October; meanwhile, imports increased at a slower pace of 5.2% YoY to USD 29.3bn. The country’s trade balance enjoyed a surplus of USD 3bn in October or USD 24.6bn in 10M23. Exports of major products, namely electronic products, mobile phones, and machines continued to recover and rallied by 2.3% MoM, 1.2%, and 13.1% respectively in October. As such, increasing export growth rates of major industrial products substantiated the current recovery trend of the manufacturing sector. Among major destination for the exports, China is the only market enjoyed growth rate of 4.7% YoY in 10M23. The continual expansion of trade surplus will likely reinforce the country’s balance of payment and support the Dong in mid and long term.



Industrial production maintained its recovery pace as expected. The Index of Industrial Production (IIP) grew by 5.5% MoM or 4.1% YoY in October. The production of electronic products sustained its recovery and rose by 7.2% MoM in October compared to 5.1% in September in line with higher exports. Meanwhile, the mining sub-index increased remarkably by 9.6% MoM in October, primarily driven by oil and gas production (+12.5%). The acceleration of the mining sector might be predicated on the resumption of Nghi Son Refinery’s operation after its maintenance period. It is worth noting that PetroVietnam Group (PVN) held a signing ceremony to kick off the Block B – O Mon gas – electricity mega project. As such, further development of this mega project might add more growth to the mining sub-sector as well as overall industrial production in the coming years.

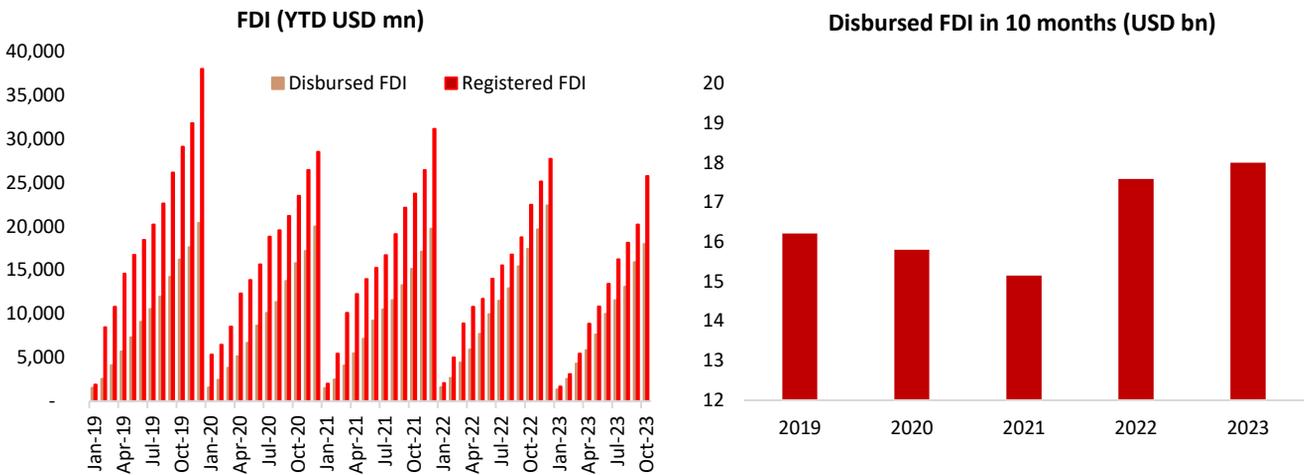
The PMI remained below 50 in October and dropped slightly to 49.6 from 49.7 in September. However, it is worth noting that new orders increased for three consecutive months and employment was unchanged in October. As stocks of finished goods declined, we expect manufacturers to expand their production by the year-end.



Sources: SSI AM, GSO, S&P Global

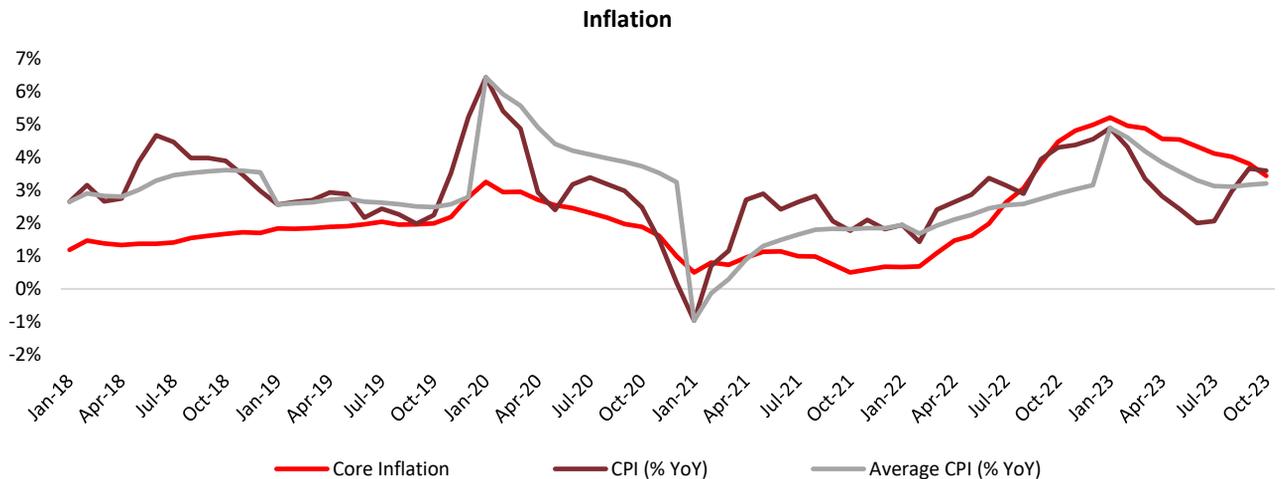
MACRO & MARKET COMMENTARY

Registered FDIs were better-than-expected. FDI disbursement rose by 3.2% YoY to USD 2.1bn in October or around USD 18bn in 10M23. Besides, newly registered FDI jumped by 54% YoY to USD 15.3bn in 10M23 thanks to some mega projects, including Ecovance (USD 500mn, a biodegradable material factory), Jinko Solar (USD 1.5bn, photovoltaic cell project), and Lite-on (USD 690mn, electronics company). FDI into the manufacturing sector comprised around 82% of total FDI disbursements, thus likely fueling more growth of this sector in the coming time. Meanwhile, public investment climbed by 23% YoY in 10M23, and accomplished around 66% of this year’s target, thus exhibiting the Government’s determination to enhance economic growth.



Sources: SSI AM, GSO

Inflationary pressure eased in October. The nationwide inflation was up 0.08% MoM or 3.59% YoY in October, down from 3.66% YoY in September. As such, inflation averaged 3.2% YoY in 10M23, well below the Government’s target of 4.5% YoY. Education sub-index increased by 2.25% MoM as some provinces continued to raise their school fees. However, the increase in education sub-index dropped dramatically compared to 8.1% MoM in September. Decreases in gasoline price (-4.59% MoM) and pork price (-1.41%) reduced inflationary pressure in this month. Core inflation trended lower to 3.43% YoY in October, which is the lowest level since Aug 2022. As such, we believe that inflation will continue to be calm by the year-end.

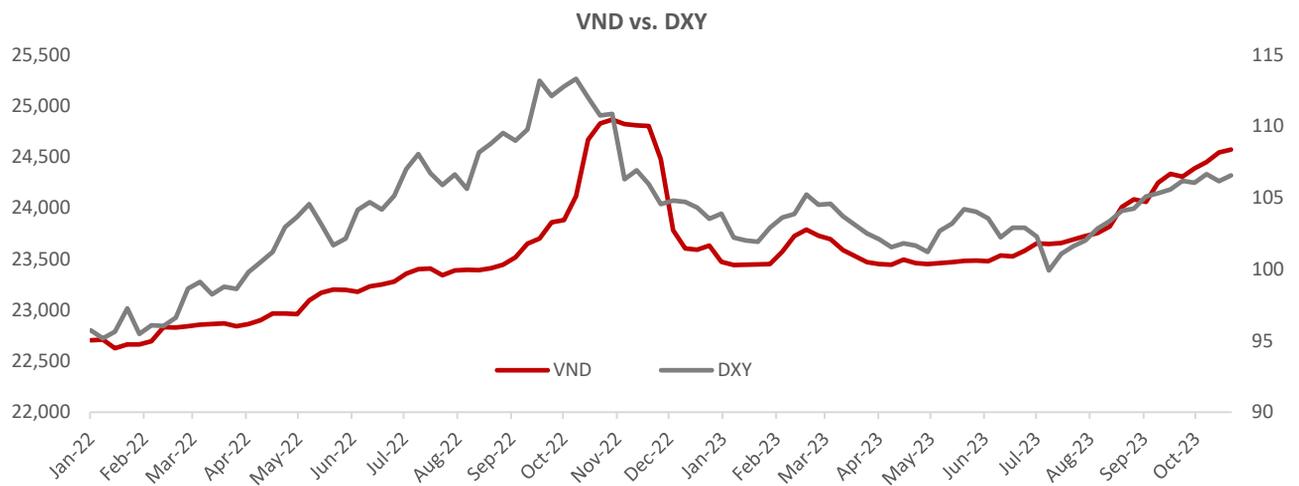


Sources: SSI AM, GSO

MACRO & MARKET COMMENTARY

Fed's unchanged rates alleviated pressure on the Dong. The Dong depreciated by around 1% against the US dollar in October, and the SBV continued to issue CB-Bills to relieve pressure on the Dong. The total amount of outstanding CB-Bills reached around VND 206tn or USD 8.5bn by the end of October, and interbank overnight interest rate rose to around 1.0 – 1.5%. As the US Fed kept rates unchanged and the DXY weakened, short-term pressure on the Dong was alleviated. In fact, the USD/VND exchange rate dropped by 0.9% in early November.

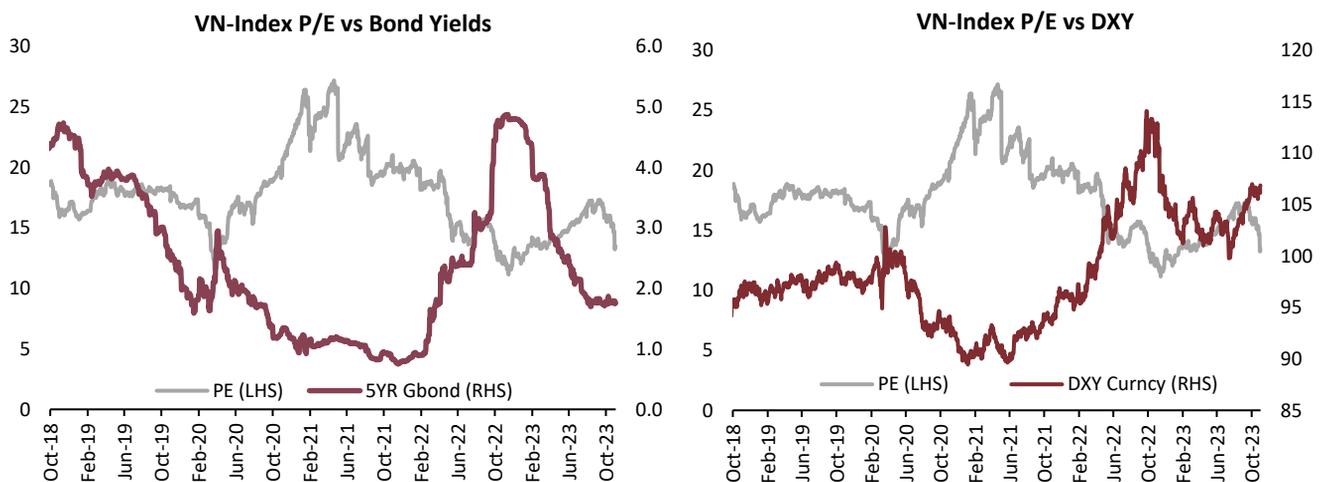
Meanwhile, the SBV continues to support economic growth as some major State-owned commercial banks cut their deposit rates by 20 – 30 bps. Credit growth also increased to 7.1% YTD in October. However, credit growth increased at a faster pace at some leading commercial banks (8 – 10% YTD in September). As such, we expect credit growth of the whole system to accelerate by the year end as the SBV might set higher credit growth limits for these banks.



Sources: SSI AM, Bloomberg

The market corrected on weaker sentiments

The VN-Index continues to correct in October following increasing selling pressure and weak market sentiment. The VN-Index lost 10.9% MoM and closed the month at 1,028.2 points. Demand weakened, and average daily trading value dropped to around USD 600mn. The fragile market sentiment could be predicated on (i) tremendous selling volume of VHM shares in the ATO session on 26th October, and (ii) lower-than-expected Q3 earnings. Most sectors experienced widespread sell-off with Consumer Discretionary recording the sharpest reduction of 18.4% MoM, followed by Consumer Staples (-15.0%). The contraction of these sectors could be attributed to MWG (-28.3%), MSN (-23.7%), and SAB (-21.8%) given their lower-than-expected earnings results.

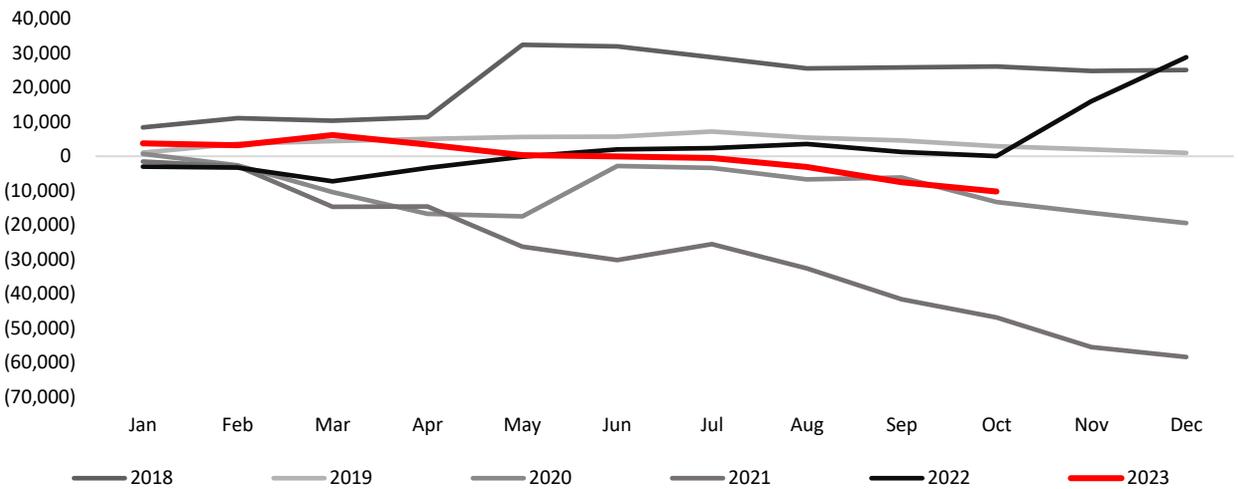


Sources: SSI AM, Bloomberg

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(As of 31 Oct 2023)	1M Δ	3M Δ	1YR Δ	VNI End Weight	TTM P/E	Current P/B	ROE	Beta
Communication Services	3.5%	-7.1%	2.8%	0.1%	38.9	0.9	0.6	1.1
Consumer Discretionary	-18.4%	-19.5%	-8.2%	3.0%	23.3	1.9	6.6	1.1
Consumer Staples	-15.0%	-20.6%	-20.5%	9.8%	21.2	2.6	10.6	0.8
Energy	-14.8%	-19.3%	6.8%	1.7%	12.3	1.3	10.9	1.1
Financials	-7.1%	-9.8%	14.5%	43.6%	9.1	1.5	17.1	1.0
Health Care	-8.7%	-12.2%	10.0%	0.8%	13.6	2.0	16.2	0.6
Industrials	-11.7%	-15.3%	5.2%	8.3%	13.8	1.6	4.5	1.1
Information Technology	-11.7%	-4.7%	23.1%	3.0%	17.9	4.1	24.5	0.9
Materials	-13.5%	-17.7%	18.4%	8.2%	20.5	1.3	4.9	1.4
Real Estate	-13.8%	-28.4%	-15.0%	15.2%	9.9	1.2	10.8	1.0
Utilities	-13.1%	-13.0%	-4.5%	6.3%	13.1	1.9	14.2	0.8
Not Classified	-6.0%	11.0%	37.0%	0.0%	23.4	0.5	-7.6	1.2
VN-Index	-10.9%	-15.9%	2.1%	100.0%	13.2	1.5	12.2	1.0
VN30	-10.9%	-15.6%	3.4%		10.7	1.5	14.4	

Sources: SSI AM, Bloomberg

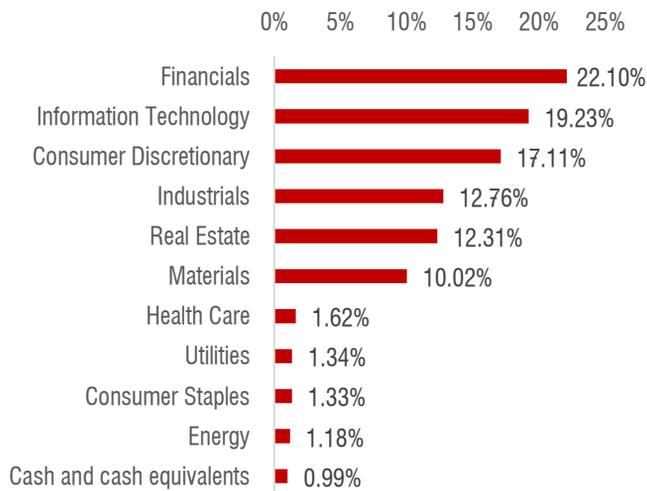
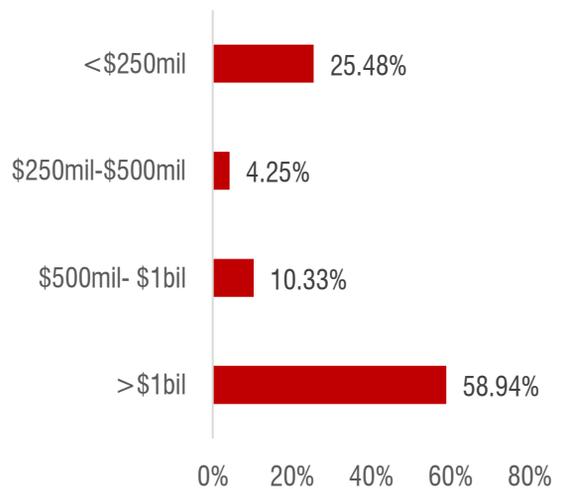
YTD Net Foreign Inflows (VND bn)


As of 31 Oct 2023	Vietnam VN-Index	Thailand SET Index	Philippines PCOMP Index	Indonesia JCI Index
YTD % Increase / (Decrease)	2.1%	-17.2%	-9.0%	-1.6%
TTM P/E	13.2	21.1	14.1	15.3
P/B	1.5	1.4	1.6	1.9
ROE	12.2	7.4	10.9	11.8
Market Cap (USDbn)	206	558	172	663
3-Month Avg Daily Traded Value USDm	767	1,323	68	579
2022 Net Foreign Inflow (USDmn)	1,072.6	5,844.1	(1,245.3)	4,316.7
YTD 2023 Net Foreign Inflow (USDmn)	(335.2)	(4,977.2)	(900.0)	(874.5)
5YR Gov Bond Yield	1.79%	2.89%	6.47%	7.12%

Sources: SSI AM, Bloomberg

FUND PERFORMANCE COMMENTARY
Fund statistics (12-months)

	SSI – SCA	VN-Index
Volatility (Std)	21.16%	19.80%
Sharpe Ratio	0.58%	-0.06%
P/E Ratio TTM	11.56x	13.22x
P/B Ratio Current	1.69x	1.50x
Beta	1.05	1.01

Fund Allocation by Sector (% NAV)

Fund Allocation by Market Cap (% NAV)

TOP HOLDINGS (% NAV)

Ticker	Company Name	Sector	% NAV	Mkt Cap (USD m)	TTM P/E	Current P/B	ROE (%)
FPT	FPT Corporation	Information Technology	19.23	4,290.95	17.18	4.46	28.06
MWG	Mobile World Investment Corporation	Consumer Discretionary	9.34	2,244.59	79.36	2.37	2.99
ACB	Asia Commercial Joint Stock Bank	Financials	5.11	3,383.62	5.57	1.24	24.32
MBB	Military Commercial Joint Stock Bank	Financials	4.51	3,629.58	4.66	1.01	23.85
HPG	Hoa Phat Group Joint Stock Company	Materials	4.28	5,444.33	71.49	1.03	1.89



The SCA fund decreased 13.6% in Oct compared to -10.9% for the VN-Index. Top performers of the fund during Oct were TDM (+0.2%), NTC (-0.05%), and ACB (-2.0%). Top laggards were MWG (-28.3%), TV2 (-23.9%), MSH (-22.8%), SAB (-21.8%) and LHG (-21.0%). Top contributors to total return of the fund during Oct were TDM (+0.2%) and NTC (-0.1%).

SCA's underperformance in Oct was mainly due to:

- Top sector holdings underperformed, caused by banking sectors (-8.9%), Consumer Discretionary (-20.8%) and Industrials (-14.4%).
- The Consumer Staples and Health Care underperformed in Oct, decreasing by 21.8% and 14.4% respectively.
- Our top stock holdings underperformed with MWG (-28.3) and HPG (-12.6%).

Our top five holdings were FPT (19.2%), MWG (9.3%), ACB (5.1%), MBB (4.5%) and HPG (4.3%). Our top holdings contributed -1.2% to SCA's total return in Oct. We continued 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 and FPT will be the key driver with the outstanding growth of business results.

- FPT: 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 20% YoY in 9M2023 thanks to the outstanding performance of IT Services, Telecom Services and Education segments.
- NTC: Nam Tan Uyen 3 industrial park project is expected to lead NTC's business results since 2024.
- GMD: GMD is expected to achieve the strong core earning recovery pace in 2024 driven by the global trade improvement and GMD's long-term leading position in Vietnam's seaport industry.
- HPG: 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.
- TV2: Benefit from the 500 kV national transmission line with total investment value of VND 23tn and the long-term prospect of Vietnam's electricity infrastructure construction.

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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