

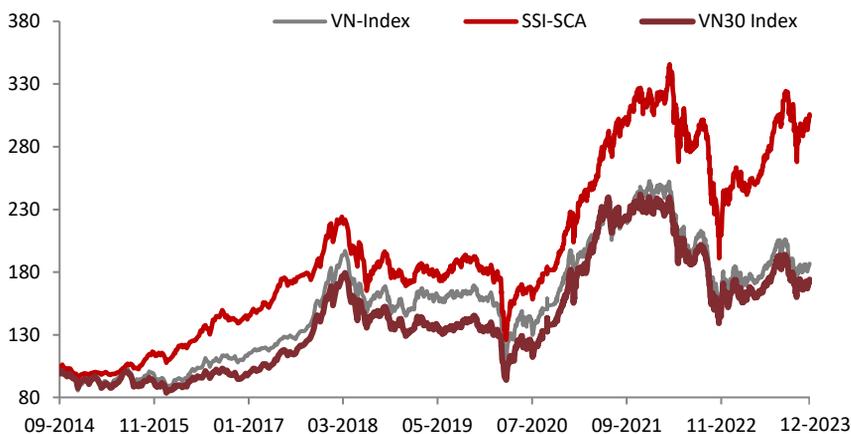
## SSI SUSTAINABLE COMPETITIVE ADVANTAGE FUND (SSI-SCA)

December, 2023

### FACT SHEET

<b>Name of the Fund</b>	SSI Sustainable Competitive Advantage Fund
<b>Fund code</b>	SSI-SCA
<b>Type</b>	Open-Ended Fund
<b>Inception date</b>	26/09/2014
<b>Fund Management Company</b>	SSI Asset Management Co., Ltd <a href="https://www.ssiam.com.vn">https://www.ssiam.com.vn</a>
<b>Supervisory Bank</b>	Standard Chartered Bank (Vietnam)
<b>Transfer Agent</b>	Viet Nam Securities Depository And Clearing Corporation (VSDC)
<b>Distributor</b>	SSIAM, SSI, VCBS, BVSC, MBS, HSC, VNDS, FINCO, MAS, TVS
<b>Redemption gate per trading period</b>	10%/ Net Asset Value
<b>Minimum subscription amount</b>	VND 10,000 (ten thousand dong)
<b>Fund size</b>	VND 440.639 billion (~ USD 18.110 million) (as of 31 December 2023)
<b>Expected Return</b>	13% - 15% /year

### FUND PERFORMANCE



	NAV/ Unit (VND)	Performance							
		2018	2019	2020	2021	2022	1M	YTD	Since Inception
SSI-SCA	30,578.45	-12.1%	3.9%	18.6%	49.9%	-26.1%	4.75%	28.43%	205.78%
VN-Index	1,129.93	-9.3%	7.7%	14.9%	35.7%	-32.8%	3.27%	12.20%	86.77%

### 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
Exempted Fee (SIPLH)	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 BIO

#### 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 analyst & invest, he worked as senior research analyst of FPT Securities.

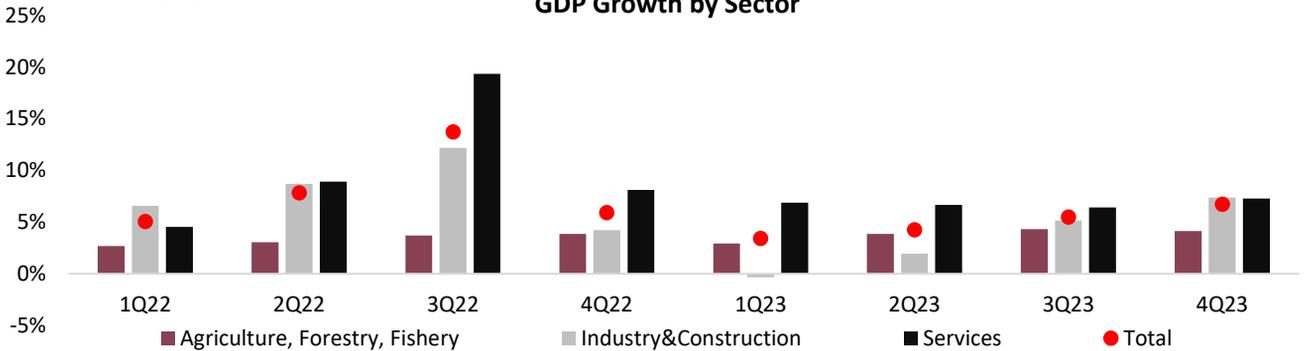
BA in International Business from HCM Foreign Trade University.

**MACRO & MARKET COMMENTARY**

**Foundation for growth has been laid**

**GDP growth reached 5.05% YoY in 2023.** Vietnam’s GDP growth accelerated in the last quarter and settled at 6.7% YoY, thus pushing the overall GDP growth to 5.05% YoY in 2023. The acceleration of 4Q23 GDP growth was primarily driven by the manufacturing sector (+7.4% YoY) and services sector (+7.3% YoY). In fact, the manufacturing sector has already exhibited a decent recovery since the third quarter as the index of industrial production trended higher and reached the growth rate of 5.8% YoY in Dec 23. Meanwhile, the services sector continued to be supported by improvement of consumer spending and arrivals of international tourists. Notably, real estate services showed initial recovery as this sub-sector was up 2.1% YoY in 4Q23 following a series of supportive measures from the Government and State Bank of Vietnam (SBV). On the expenditure front, the Government’s increased public spending assisted gross capital formation to maintain its firm growth rate of 6.2% YoY in 4Q23. Indeed, we believe that the foundation for growth was laid in 2023 and the country will likely enjoy stronger growth in 2024.

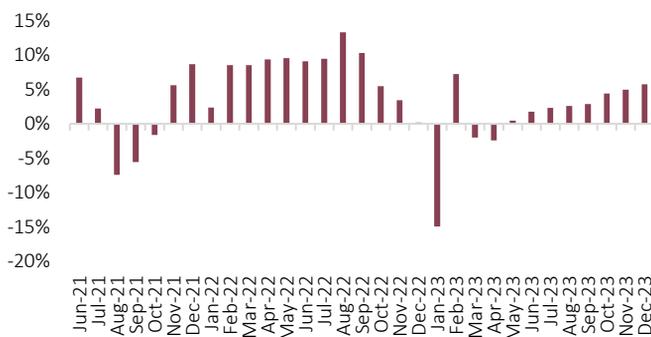
**GDP Growth by Sector**



Source: SSI AM, GSO

**The overall industrial production continued to expand in December.** The index of industrial production rallied by 5.8% YoY in December due to the acceleration of the manufacturing sub-sector. In particular, the manufacturing sub-sector grew by 7.6% YoY, primarily driven by continual improvement of electronic products, computers and optical devices (+8.0% YoY). In contrast, the mining sub-sector remained in contractionary territory, and dropped by 12.8% YoY in December. As such, the recovery of industrial production is uneven across sectors and manufacturers, reflected by the PMI remaining below the remaining below the 50.0 no-change mark at 48.9 in December. However, manufacturers remained optimistic about 2024 outlook. The future output index trended higher and reached 67.3 in December as firms expected stronger demand from both external and domestic markets. As Vietnam continued to attract FDI inflows and the country’s major export markets are expected to recover in 2024, manufacturing sector might strengthen further in 2024.

**IP Index (% YoY)**



**PMI**



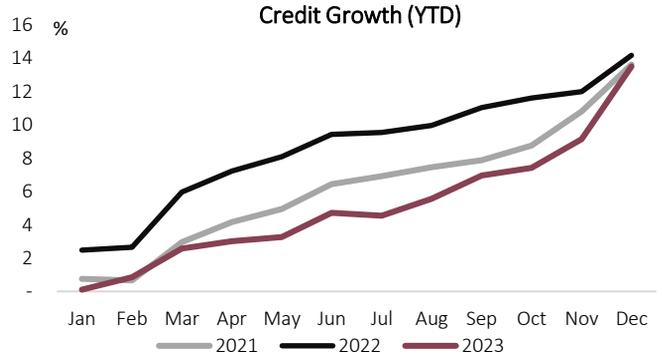
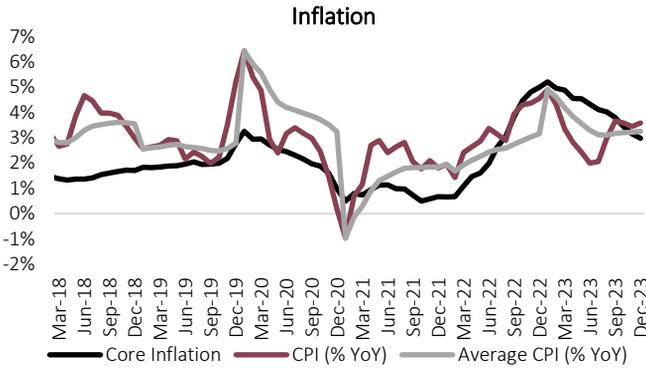
Sources: SSI AM, GSO

**The improvement in manufacturing was substantiated by continually stronger exports in December.** Exports were estimated to increase by 13.1% YoY to USD 32.9bn with acceleration of mobile phones (+51.5% YoY) and electronic products (+19.2% YoY). Local exporters also enjoyed a faster growth pace than foreign exporters (+18.5% YoY vs. 11.1% YoY) due to increased exports of agricultural products. For instance, exports of rice, tea, and cashew nut climbed by 118%, 27%, and 22% YoY respectively in December. On the other hand, imports increased by 12.3% YoY to USD 30.6bn, thus resulting in a trade surplus of USD 2.28bn in December. As such, the country’s trade balance enjoyed a record high surplus of USD 28bn in 2023, thus building up the country’s foreign reserves and supporting the stability of monetary policy.

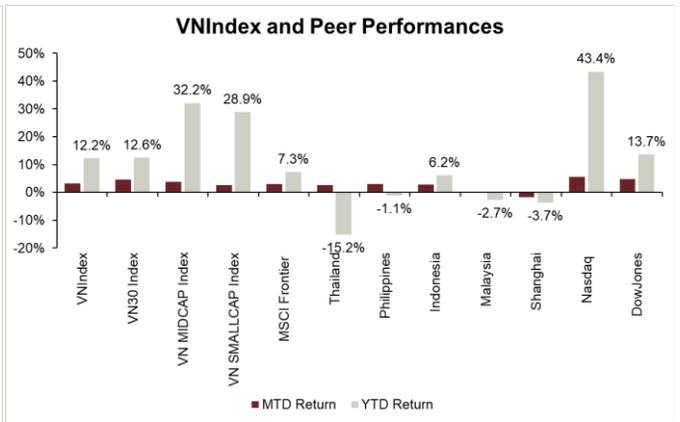
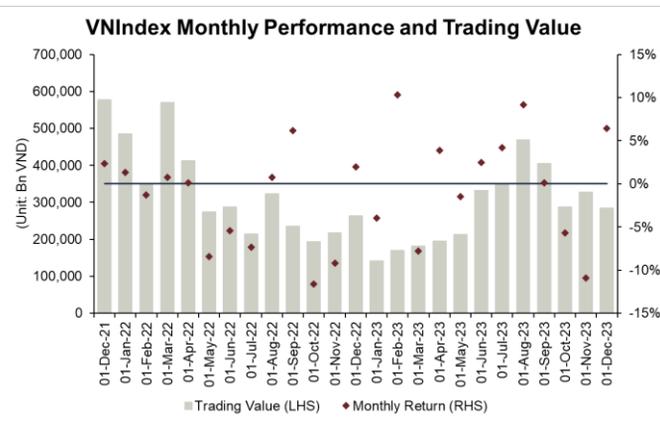
The Government and the State Bank of Vietnam (SBV) exhibited their determination to support the whole economy by relaxing monetary policy further. State-owned commercial banks cut their 12-month deposit rates to 5% pa. to lower their lending interest rates and support enterprises. Banks successfully boosted their credit growth to around 13.5% YoY by the end of 2023 or 4.4% MoM in December, substantially higher than 5-year average of 2.6% MoM. The SBV already assigned credit growth target of 15% YoY for the whole system in 2024, and higher credit growth limits were allocated to banks with high-ranking scores. As major central banks might be at the end of their rate hike cycle, the SBV might maintain its monetary easing to support economic growth in 2024.

**MACRO & MARKET COMMENTARY (cont.)**

**The Government accomplished its 2023 inflation target.** Headline inflation reached 0.12% MoM or 3.58% YoY in December, primarily driven by medicine and healthcare fees (+2.15% MoM), school fees (+0.44% MoM), and accommodation & construction materials (+0.43% MoM) due to upward adjustment of electricity price. As such, the Government successfully controlled the nationwide inflation at 3.25% YoY in 2023, well below its target of 4.0%. We expect the country's inflation to remain stable in 2024; however, any possible escalation of the Red Sea crisis might push the shipping cost as well as exert somewhat pressure on inflation in short-term.



Sources: SSI AM, GSO

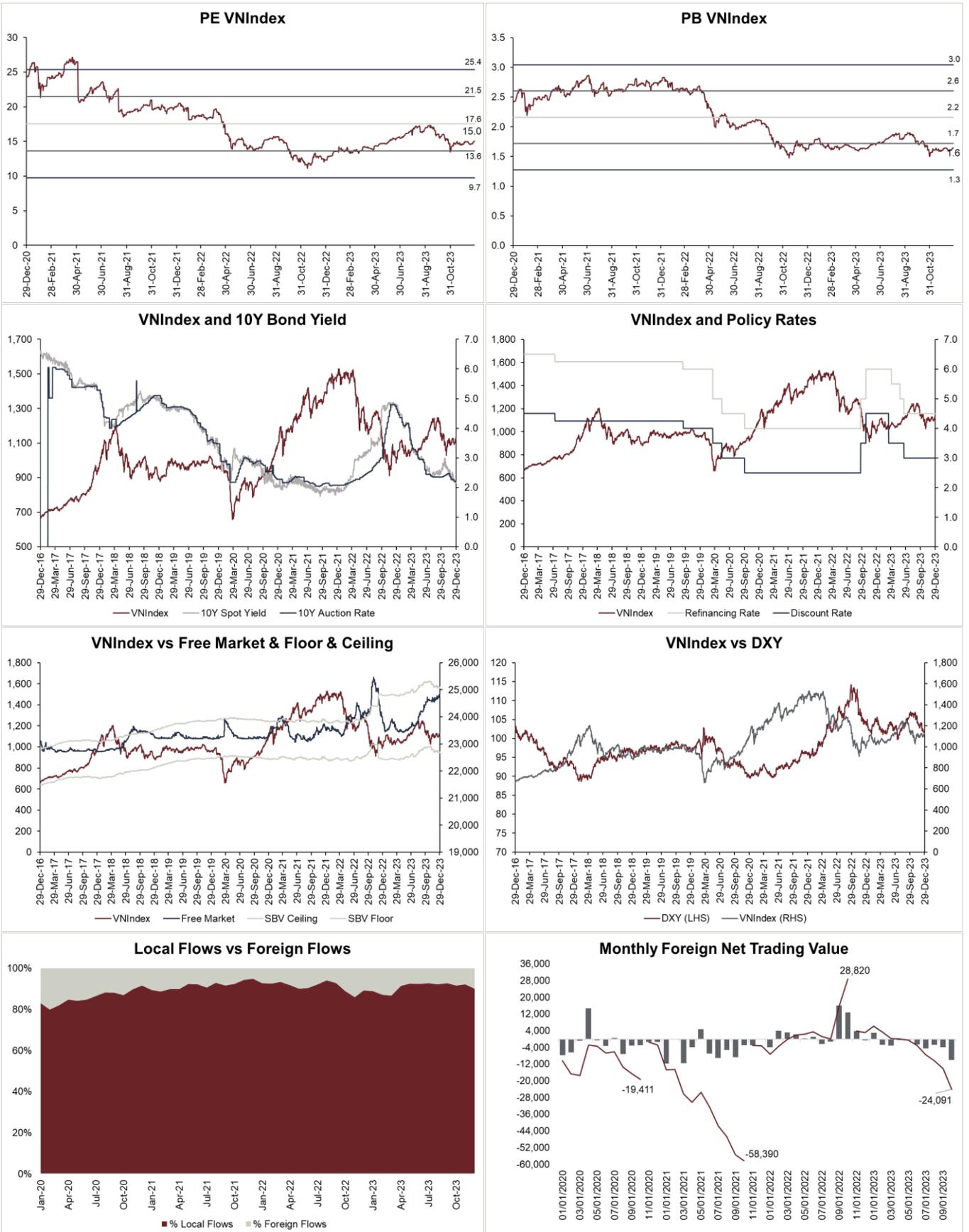


The VN-Index maintained its upward momentum and increased by 3.3% MoM in December. Consumer discretionary, Information Technology, and Industrials registered the highest increases of 7.3% MoM, 4.8%, and 4.7% respectively. Retail investors continued to support the market while foreign investors remained net sellers with a total net sell of USD 408mn, which was the highest monthly divestment in 2023. ETFs also experienced huge outflows of USD 142mn in December. Trading activities softened as total trading value dropped by 13% MoM.

The valuation of the VN-Index remains reasonable and relatively attractive at 15.0 times trailing earnings given the prospect for 2024 earnings growth of 15 – 18% YoY, possible application of KRX system, and expectation of emerging market upgrade. Looking ahead, we believe that the market participants might focus on sectors with attractive valuation and high earnings growth in 2024. We expect banks' profits to improve in 2024 due to stable net interest margin (NIM), stronger credit growth, and improved asset quality. Besides, the consumer goods sector is estimated to experience better earnings growth in 2024 due to (i) a low base in 2023, and (ii) the recovery in consumer demand. And finally, securities companies might continue to benefit from market upgrade story as well as the application of new trading system.

As of 29 Dec 2023	1M Δ	3M Δ	YTD Δ	End Weight	TTM P/E	P/B	ROE	Beta
Communication Services	1.9%	1.8%	1.1%	0.1%	38.3	1.1	0.1	1.1
Consumer Discretionary	7.3%	-7.6%	4.1%	3.3%	27.6	2.3	6.7	1.1
Consumer Staples	3.3%	-7.6%	-13.5%	9.4%	22.7	2.7	10.4	0.8
Energy	-0.6%	-4.7%	19.6%	1.7%	13.5	1.4	10.8	1.2
Financials	2.7%	-1.3%	21.7%	42.2%	9.6	1.5	17.0	1.0
Health Care	1.6%	-6.7%	12.4%	0.8%	13.8	2.0	16.0	0.6
Industrials	4.7%	4.5%	24.8%	8.8%	16.5	1.8	4.4	1.1
Information Technology	4.8%	3.3%	44.1%	3.1%	20.3	4.7	24.8	0.9
Materials	4.2%	4.2%	42.9%	8.7%	26.4	1.5	4.7	1.4
Real Estate	4.3%	-3.2%	-4.5%	15.5%	11.1	1.3	10.7	1.0
Utilities	-0.1%	-11.3%	-2.5%	6.5%	13.5	2.0	14.7	0.8
Not Classified	-12.8%	-12.8%	-12.8%	0.0%		0.9		
<b>VNIndex</b>	<b>3.3%</b>	<b>-2.1%</b>	<b>12.2%</b>	<b>100.0%</b>	<b>15.0</b>	<b>1.6</b>	<b>11.8</b>	<b>1.0</b>
<b>VN30 Index</b>	<b>4.6%</b>	<b>-3.0%</b>	<b>12.6%</b>		<b>11.7</b>	<b>1.6</b>	<b>14.3</b>	

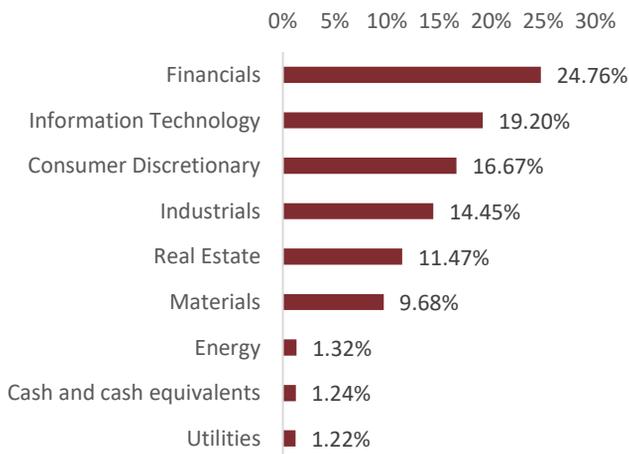
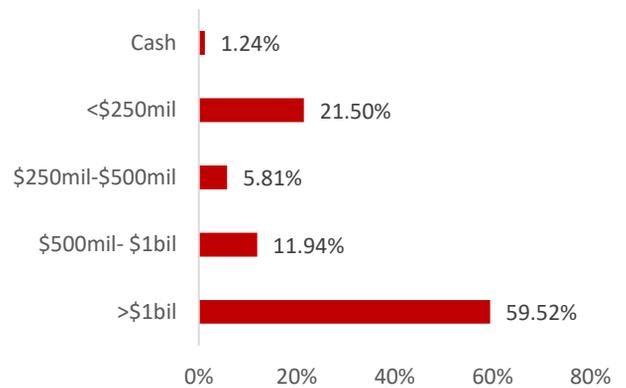
**MACRO & MARKET COMMENTARY (cont.)**



Sources: SSI AM, Bloomberg

**FUND PERFORMANCE COMMENTARY**
**Fund statistics (12-months)**

	SSI – SCA	VN-Index
Volatility (Std)	16.75%	16.93%
Sharpe Ratio	1.69%	0.61%
P/E Ratio TTM	12.91x	15.03x
P/B Ratio Current	1.87x	1.64x
Beta	1.07	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	TTM P/E	Current P/B	ROE (%)
				(USD m)			
<b>FPT</b>	FPT Corporation	Information Technology	19.20%	5,028.80	19.89	5.16	28.06
<b>MWG</b>	Mobile World Investment Corporation	Consumer Discretionary	8.31%	2,579.03	90.10	2.69	2.99
<b>ACB</b>	Asia Commercial Joint Stock Bank	Financials	6.54%	3,824.99	6.22	1.38	24.32
<b>HPG</b>	Hoa Phat Group Joint Stock Company	Materials	4.86%	6,696.74	86.87	1.62	1.89
<b>MBB</b>	Military Commercial Joint Stock Bank	Financials	4.57%	4,006.86	5.08	1.11	23.85

## FUND PERFORMANCE COMMENTARY (cont.)

The SCA fund increased **+28.4% in 2023 compared to +12.2% for the VN-Index**. Top performers of the fund were TV2 (+73.8%), NTC (+72.8%), GMD (+60.0%), HPG (+55.3%), LHG (+51.9%), FPT (+47.0%), QNS (+43.6%) and DRC (+42.5%). Top laggards were TNH (-24.1%), SAB (-20%), VHM (-16.0%) and VRE (-11.4%). Top contributors to total return of the fund during 2023 were FPT (+8.4%), HPG (+2.4%), TV2 (+2.2%), GMD (+2.1%) and NTC (+1.8%).

SCA's outperformance in 2023 was mainly due to:

- We overweight on sectors outperforming VN-Index, including (1) Information Technology sector (+51.3%) driven by FPT (+47%), (2) Industrials sector (+70.0%) driven by TV2 (+73.8%), GMD (+60.0%), SGP (+30.4%), SCS (+15.4%), Materials sector driven by HPG (+55.3%), DPR (+24.9%).
- We underweight on Financials sector, Consumer Staples sector and Real Estate sector, but still achieved the outperformance in total return by our weight allocation on ACB (+30.6%), MBB (+28.6%), CTG (+11.1%), STB (+24.2%), TCB (+23.0%), LHG (+51.9%), NTC (+72.8%), NLG (+19.0%), QNS (+43.6%).

Top contributors to total return of the fund in 2023 were:

1. FPT (+8.4%): Led by the ability to maintain sustainable profit growth. Despite the economic difficulties, FPT still achieved revenue growth of 20% YoY and NPAT growth of 18% YoY in 11M2023 thanks to the outstanding performance of IT Services, Telecom Services and Education segments. FPT's new signed backlogs revenue reached 24,836 Bn VND (+21% yoy) in 11M2023.
2. HPG (+2.4%): As HPG stock price reflects attractive upside in price growth regarding to the expectation that HPG's earnings will reach the positive earnings growth in 2024.
3. TV2 (+2.2%): 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.
4. GMD (+2.1%): 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.
5. NTC (+1.8%): Nam Tan Uyen 3 industrial park project is expected to lead NTC's business results since 2024.

Our top five holdings are FPT (19.3%), MWG (8.4%), ACB (6.6%), HPG (4.9%) and MBB (4.6%). Our top holdings contribute +13.6% to SCA's total return in 2023. 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 and FPT will be the key driver with the outstanding growth of business results.

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

## CONTACT INFORMATION

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