

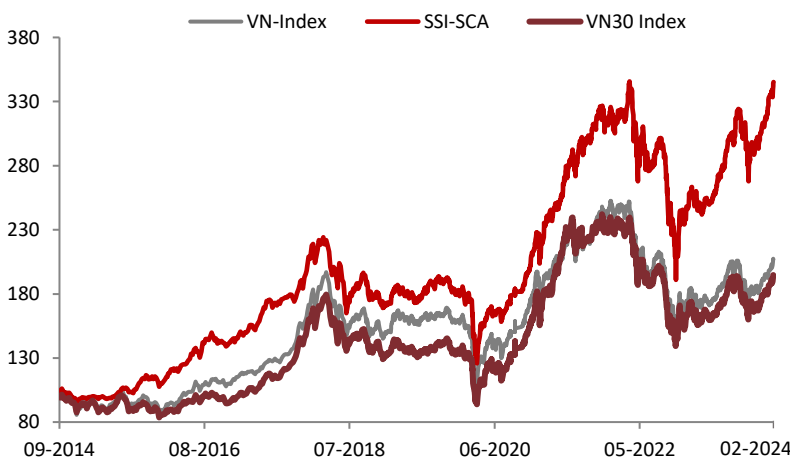
SSI SUSTAINABLE COMPETITIVE ADVANTAGE FUND (SSI-SCA)

February, 2024

FACT SHEET

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 524.72 billion (~ USD 21.27 million) (as of 29 February 2024)
Expected Return	13% - 15% /year

FUND PERFORMANCE



	NAV/ Unit (VND)	Performance							
		2019	2020	2021	2022	2023	1M	YTD	Since Inception
SSI-SCA	34,511.64	3.9%	18.6%	49.9%	-26.1%	28.4%	7.80%	12.86%	245.12%
VN-Index	1,252.73	7.7%	14.9%	35.7%	-32.8%	12.2%	7.59%	10.87%	107.07%

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

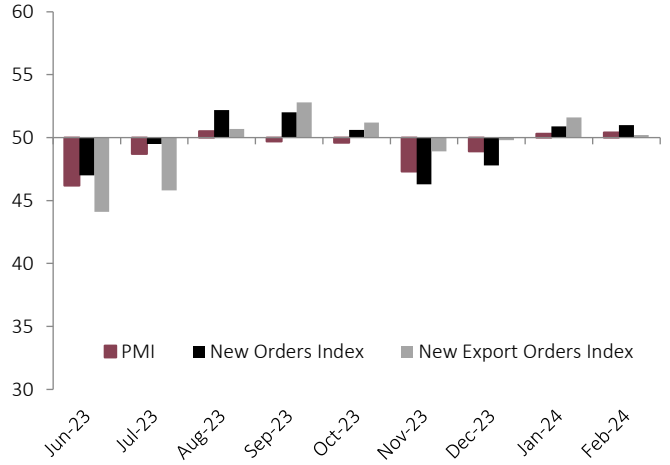
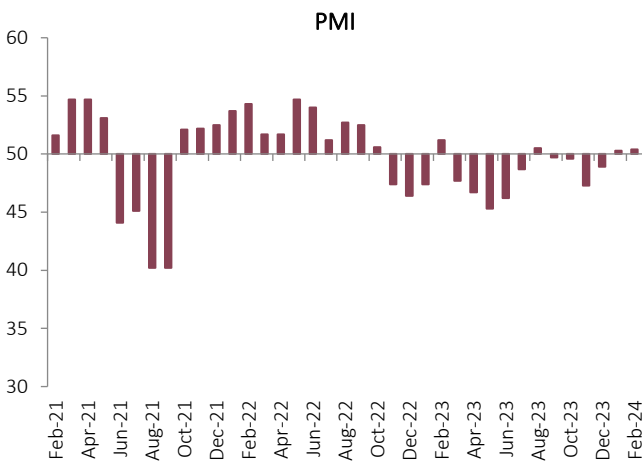
BA in International Business from HCM Foreign Trade University.

MACRO & MARKET COMMENTARY

Increased inflation due to seasonal factor

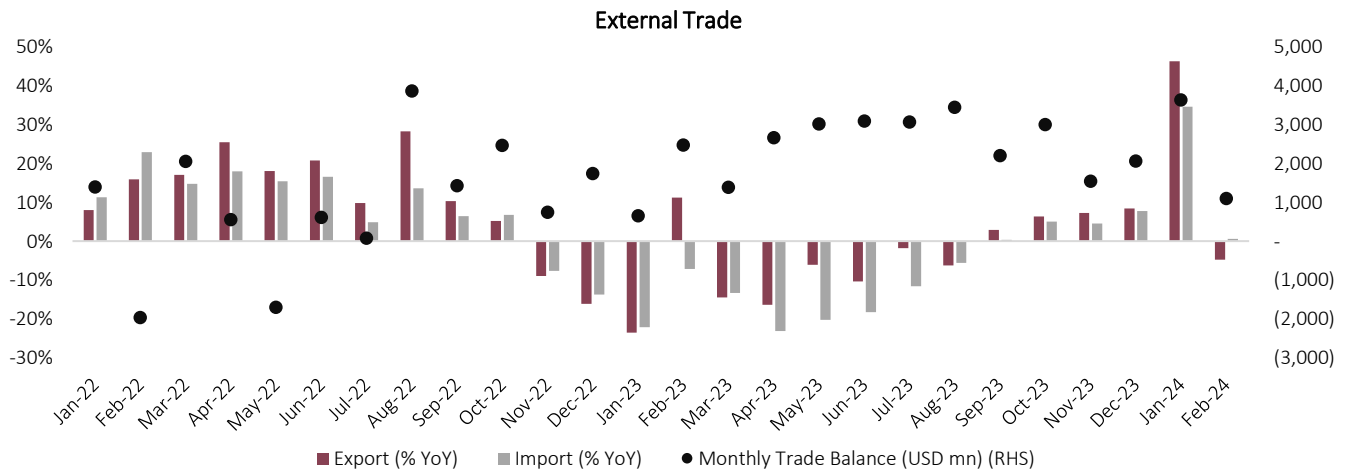
Economic indicators continue to exhibit improvement in manufacturing sector, robust FDI inflows, and stronger exports during the first two months of this year. Inflation increased remarkably in February primarily due to the Tet holiday, and it might ease in the coming months. The Dong weakened against the US dollar, but we remain confident in the outlook of the Dong in this year.

The manufacturing sector continues to recover during the first two months of 2024. The index of industrial production (IIP) rose 5.7% YoY in 2M24. Production of major products, including textile and garment, and electric products, recorded robust growth rates of 17.6% YoY, and 22.1% in 2M24. The manufacturing PMI also remained above the 50 expansion – contraction dividing line for two months in a row, and it finished at 50.4 in February compared to 50.3 in January. The continual expansion of the manufacturing sector was supported by higher new orders, thus encouraging firms to expand their workforce. As manufacturers’ inventories continue to decrease, we expect them to increase their production to meet the rising demand. Although, firms began to raise their output price due to increased transportation cost, the upward adjustment of selling prices might be limited to stimulate demand.



Sources: SSIAM, GSO

The country’s trade balance recorded a surplus of USD 4.7bn in 2M24 compared to USD 3.5bn over the same period last year. Exports strengthened and climbed 19.2% YoY to USD 59.3bn during the first two months of this year, primarily driven by domestic enterprises (+33.3% YoY). Imports increased at a slower pace of 18% YoY in 2M24 and settled at USD 54.6bn in 2M24. Notably, imports of electronic products, machinery & spare parts climbed 24% YoY, thus substantiating the expansion of the country’s manufacturing sector.



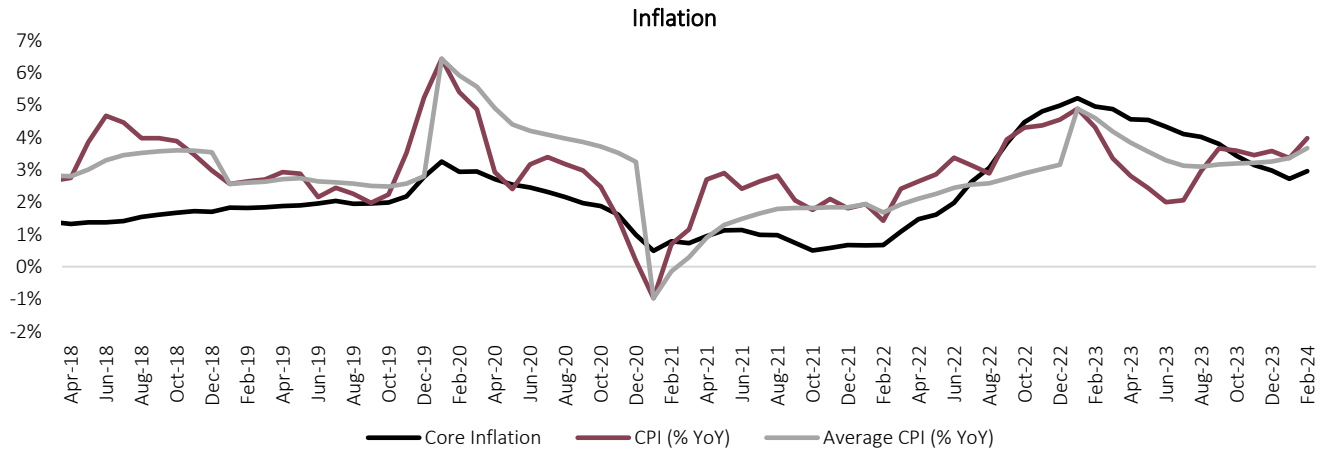
Sources: SSIAM, GSO

Consumption remained resilient in February. Retail sales increased 8.1% YoY in nominal terms or 5.0% YoY in real terms in 2M24, primarily driven by accommodation & catering services (+14.0% YoY) and tourism (+35.8% YoY). It is worth noting that international tourist arrivals almost reached pre-pandemic level during the first two months of this year. Total international tourist arrivals averaged around 1.5 million tourists in January and February. Chinese tourist also reached 60% of pre-pandemic level. As the Government attempts to increase the number of countries eligible for the visa-waiver policy, we expect the international tourist arrivals to increase further by the year-end.

MACRO & MARKET COMMENTARY (cont.)

Inflation was substantially high due to the Tet holiday. Headline inflation increased by 1.0% MoM or 3.98% YoY in February. Core inflation also rebounded and increased to 2.96% YoY in February. The higher inflationary pressure in February was primarily due to transportation and food & foodstuff sub-indices. The transportation sub-index up 3.1% MoM due to increase in public transportation (+15.5% MoM) and higher gasoline prices (+5.8% MoM). Meanwhile, the food & foodstuff sub-index inched up by 1.7% MoM due to higher rice price (+2.2% MoM) and pork price (+3.9% MoM). As February's inflationary pressure was primarily due to seasonal factors, we expect inflation to ease in the coming months, thus supporting the State Bank of Vietnam (SBV) to maintain supportive monetary policy.

The Dong continues to weaken against the US dollar given abundant liquidity at banks and stronger US dollar. As the Fed will unlikely cut its rate as fast as expected, strong US dollar could exert further pressure on the Dong. However, resilient trade surplus, and robust FDI inflows will continue to support the Dong.



Sources: SSIAM, GSO

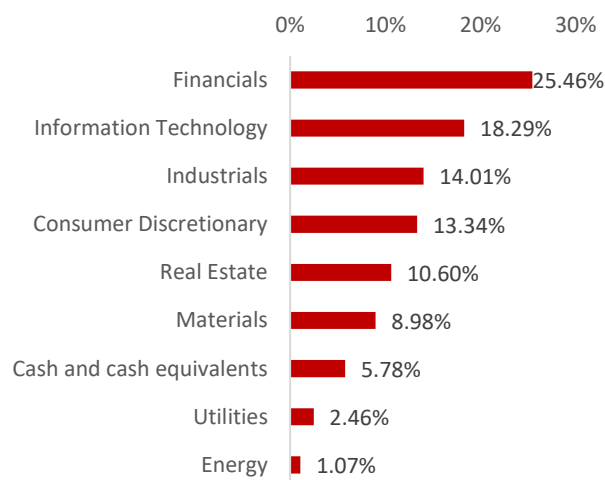
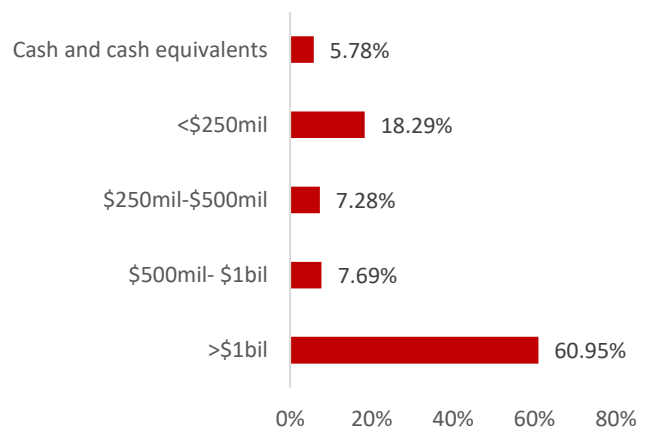
The VN-Index maintained its winning streak and increased by 7.6% MoM in February, primarily driven by Materials (+14.5%), Information Technology (12.4%), and Financials sectors (+9.0%). Low interest rate environment, progress in implementation of KRX trading system, and the Government's determination to get the Vietnam's stock market upgraded into emerging market status fueled the upward momentum of the VN-Index. However, foreign investors became net sellers with a total net sell of around USD 112mn, and they mostly divested from MWG (USD 31mn), VNM (USD 28mn), and VPB (USD 27mn). ETFs also experienced outflows of around USD 40mn in February.

The forward 12-month P/E ratio for the VN-Index is 13.8 times, substantially lower than its 5-year average P/E of around 17 times. Although the market could face increasing selling pressure from profit taking, we expect the market to maintain its upward momentum on the back of (i) increasing participation of retail investors due to low interest rates, (ii) the Government's determination to promote the market upgrade, and (iii) possible return of foreign investors.

As of 29 Feb 2024	1M	3M	YTD	VNI End Weight	TTM P/E	Current P/B	ROE	BETA
Communication Services	2.6%	0.3%	-1.6%	0.1%	28.2	0.8	3.0	1.1
Consumer Discretionary	4.5%	17.5%	9.5%	3.2%	34.1	2.5	5.9	1.1
Consumer Staples	6.3%	6.4%	2.9%	8.7%	23.5	2.8	11.9	0.8
Energy	5.2%	3.6%	4.2%	1.5%	16.1	1.4	9.4	1.1
Financials	9.0%	21.1%	17.9%	45.1%	10.8	1.7	17.2	1.1
Health Care	3.5%	5.7%	4.0%	0.7%	14.5	1.9	15.2	0.6
Industrials	3.2%	7.7%	3.0%	8.1%	19.7	1.9	7.7	1.1
Information Technology	12.4%	17.1%	11.7%	3.1%	21.7	5.0	24.5	0.9
Materials	14.5%	20.5%	15.6%	9.0%	20.7	1.8	6.8	1.4
Real Estate	5.0%	7.0%	2.6%	14.3%	14.1	1.3	9.7	1.0
Utilities	2.9%	3.0%	3.4%	6.1%	15.5	2.0	13.0	0.8
VN-Index	7.6%	13.6%	10.9%	100%	16.2	1.8	12.1	1.0
VN30	8.5%	15.8%	11.9%		12.6	1.7	14.1	

FUND PERFORMANCE COMMENTARY
Fund statistics (12-months)

	SSI – SCA	VN-Index
Volatility (Std)	15.62%	15.45%
Sharpe Ratio	2.62%	1.32%
P/E Ratio TTM	13.79x	16.16x
P/B Ratio Current	2.05x	1.79x
Beta	1.02	1.04

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)			
FPT	FPT Corporation	Information Technology	18.29%	5,616.14	21.34	5.54	28.11%
MWG	Mobile World Investment Corporation	Consumer Discretionary	7.54%	2,741.11	405.26	2.89	0.71%
ACB	Asia Commercial Joint Stock Bank	Financials	6.43%	4,412.26	6.78	1.53	24.80%
MBB	Military Commercial Joint Stock Bank	Financials	4.97%	5,108.74	6.09	1.36	24.51%
TCB	Vietnam Technological and Commercial Joint Stock Bank	Financials	4.65%	6,030.91	8.25	1.35	14.84%

FUND PERFORMANCE COMMENTARY (cont.)

The SSI-SCA fund increased 7.8% in Feb 2024 compared to +7.6% for the VN-Index. Our top five stock holdings are FPT (18.3%), MWG (7.5%), ACB (6.4%), MBB (5.0%) and TCB (4.7%). Our top five sector holdings are Financials sector (25.5%), Information Technology (18.3%), Consumer Discretionary (13.3%), Industrials (14.0%) and Real Estate (10.6%).

The SCA's outperformance was mainly attributed to:

- **The Banking sector:** We expect the banking sector will still be on track to deliver healthy growth in 2024 on the back of loosening monetary policies from the State Bank of Vietnam (SBV) and supportive regulatory/fiscal policies. First, we expect credit growth to accelerate from 13.7% in 2023 to 15% in 2024, driven by domestic demand recovery and the raise of capital need for public investment projects. Second, banks' net interest margin is expected to expand materially this year thanks to lower funding costs as term deposit rates have fallen sharply to below COVID levels. Third, asset quality should remain under control and even improve as non-performing loan formation peaks and the real estate market continues to warm up. Given key fundamentals are set to get better, we expect earnings growth for the banking industry to accelerate from merely 5-10% in 2023 to 15%-20% in 2024. The valuation of the banks still looks compelling with current P/B below the historical averages for most banks despite the rally in January 2024.
- **The Information Technology sector:** In 2023, while most sectors struggled, IT companies saw a 21% bottom-line growth, which is expected to continue into 2024. Growth will come from global and local markets, with software development and IT services predicted to grow by 13.8% and 10.4%, respectively, according to Gartner. Global IT spending growth, driven by demand for digital transformation, particularly in cloud computing and AI applications will positively impact on Vietnam's software developers. Despite a single-digit growth rate in the local market in 2023, IT companies may find more opportunities in Vietnam in 2024 thanks to economic recovery and the rising demand of public sector given the Government's push on Digital Transformation in both national and provincial levels. The data center segment is also poised for significant growth, with a forecasted CAGR of 10.7% from 2022 to 2027. The sector's PE valuation for 2023 and 2024 is 20 and 16 times, respectively, and with new technological advancements expected, a higher PE re-rating is anticipated.
- **The Telecom infrastructure sector:** The Telecom infrastructure sector is poised for a new growth cycle in Vietnam, focusing on the 5G mobile network. On January 17, 2024, the Ministry of Information and Communication (MoIC) announced plans for the next 5G spectrum auction, following delays in FY23. Three blocks, including B1 (2.5-2.6 GHz), C2 (3.7-3.8 GHz), and C3 (3.8-3.9 GHz), each with a bandwidth of 100 MHz, will be auctioned concurrently. We anticipate a successful auction, accelerating 5G commercialization. We favor CTR as the leading telecom infrastructure player due to its strong business execution and competitive advantage as one of the first 5G network developers.
- **The Industrials sectors:** Among industrial sub-sectors, we anticipate positive results in the seaport segment due to recovering cargo throughput driven by improved trade activities and industrial production. Additionally, deep-water port developers in Southern Vietnam are expected to benefit from rising seaport freight rates from 2024-2025. The recovery in industrial production will also boost demand for related products and services such as domestic transportation, paper, and tires, likely enhancing the performance of listed companies in these sub-sectors. Companies with increased production capacity in 2024 stand to benefit the most. Overall, earnings recovery, accelerated growth in manufacturing and technology sectors, and expanded external trades make the valuation of the industrials sector increasingly attractive in the mid and long term.
- **The Industrial Park sector:** Strong FDI inflows will boost the industrial park sector through increased leasing opportunities. We anticipate Vietnam to maintain high FDI inflows due to its competitive advantages and participation in free trade agreements. The government is committed to enhancing logistics infrastructure and ensuring electricity supply for the manufacturing sector. Major public investment projects in 2024-2025 include the 500 kV national transmission line, Long Thanh International Airport, and highway projects. Amended Land Law reforms are expected to streamline the legal process for industrial park developers to expand their land bank. We favor industrial park developers with large, clear land banks connected to logistics centers, healthy balance sheets, robust cash flows, and strong networks with FDI clients.

We continue to maintain FPT as the top largest holding with over 15% weight, and MWG as the second largest holding with over 7% weight in SCA's portfolio. This is based on our expectation that:

- The Information Technology sector will deliver high long-term growth rates. FPT is expected to be the key driver, with outstanding growth in business results. FPT's business plan for 2024 demonstrates high confidence from the company's management, setting revenue and PBT growth targets at 17.5% YoY and 18.2% YoY, respectively.
- The Retailing sector has ample growth potential due to the shift from traditional to modern grocery trade. MWG is confident in a better outlook for this year, targeting a PAT of VND 2,400bn for 2024, compared to the significantly low level of just VND 168bn in 2023. We believe that MWG is in a strong position to meet the rising demand for modern grocery retail from discerning consumers and to potentially explore new retail sectors.

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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