



SSI SUSTAINABLE COMPETITIVE ADVANTAGE FUND (SSI-SCA)

May, 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 617.04 billion (~ USD 24.4 million) (as of 31 May 2024)
Expected Return	13% - 15% /year

INVESTMENT OBJECTIVES & STRATEGY

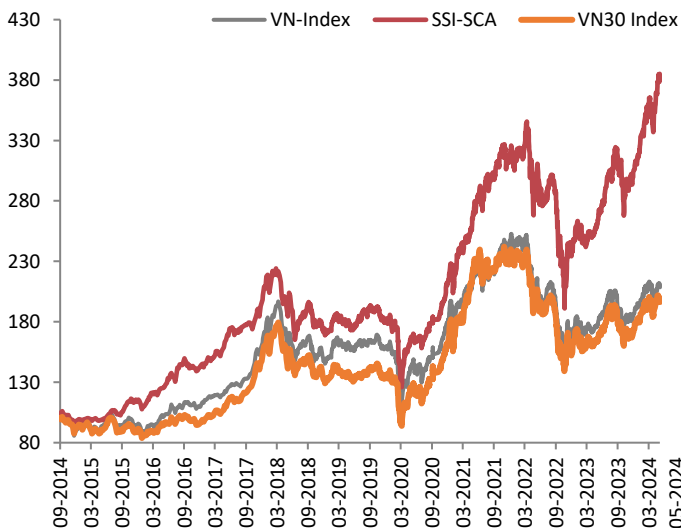
The Fund pursues long-term capital appreciation and regular return through investment in companies with sustainable competitive advantages and fixed income assets.

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	31/05/2024	30/04/2024	29/02/2024	31/12/2023	
NAV/unit	38,211.86	8.14%	10.72%	24.96%	282.12%
VN-Index	1,261.72	4.32%	0.72%	11.66%	108.56%
VN30-Index	1,275.97	2.86%	0.81%	12.77%	96.41%



FUND MANAGERS

Bui Van Tot, CFA – Portfolio Manager

E: totbv@ssi.com.vn

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

Switching fee	Free
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Transfer 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

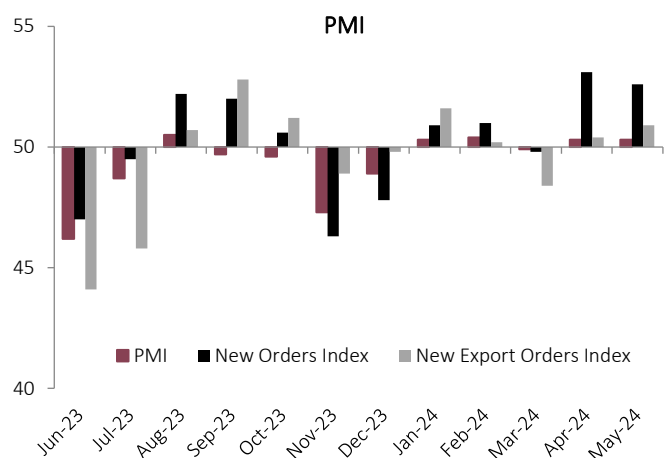
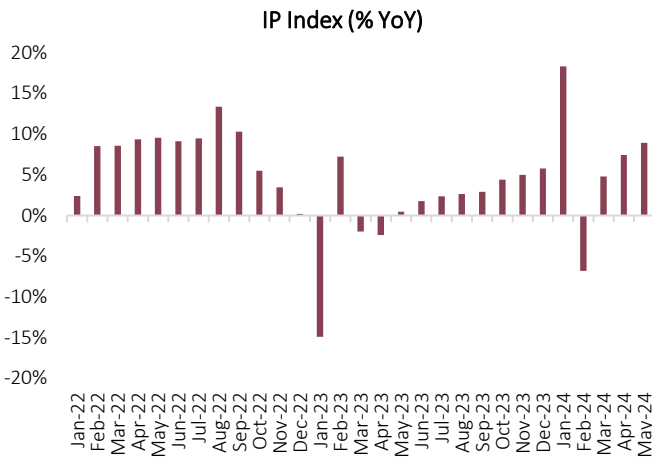
Holding period below 12 months	2.00%
Holding period from 12 to 24 months	1.25%
Holding period above 24 months	Free

MACRO & MARKET COMMENTARY

May marked by impressive growth in manufacturing sector

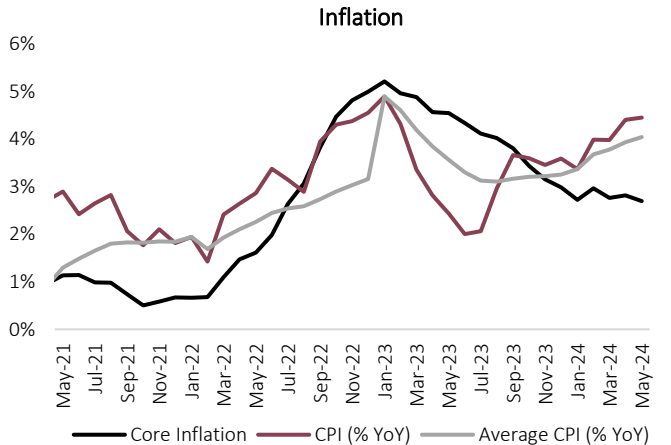
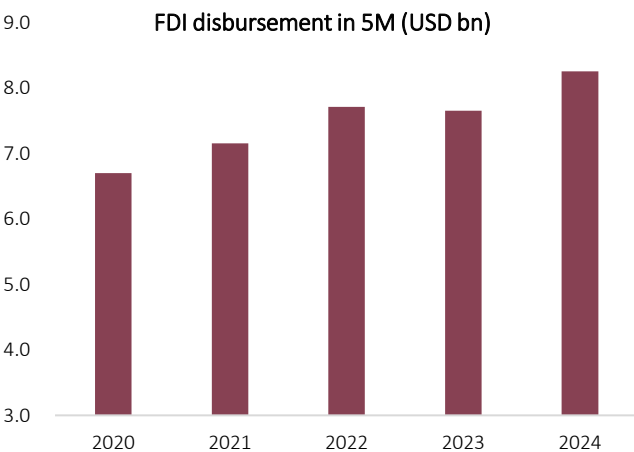
The manufacturing sector outperformed expectations in May and was the main driver of economic growth. The Index of Industrial Production (IIP) showed a significant increase of 8.9% year-on-year (YoY) in May and 6.8% YoY for the first five months of 2024. This growth was primarily fueled by robust performance in sectors such as rubber and plastic products (+27.4% YoY), electrical devices (+24%), chemicals (+20.1%), and wooden products (+19.6%). Manufacturers responded to this positive trend by ramping up their hiring, with monthly employment growth in the sector reaching pre-pandemic levels for two consecutive months, hovering around 3.0% to 4.0% YoY. The Manufacturing Purchasing Managers' Index (PMI) stayed in expansionary mode for the second consecutive month, settling at 50.3 points in May, and the output index reached its highest level since September 2022. With key indicators like Foreign Direct Investment (FDI) inflows, imports of raw materials, electricity consumption, and staffing levels pointing towards sustained acceleration in the manufacturing sector, it is anticipated to further strengthen by the end of the year, thereby boosting overall economic growth.

Retail sales also saw an upward trend in May, largely fueled by the influx of international tourists. Retail sales surged by 9.5% YoY for the month, contributing to an 8.7% growth for the first five months of 2024. Particularly noteworthy was the tourism sector, which experienced a remarkable 45.1% YoY increase in revenue during this period, driven by 65% YoY rise in international tourist arrivals, reaching approximately 7.6 million tourists. Leading retailers such as Bach Hoa Xanh demonstrated strong growth, signaling robust consumer spending.



Total investments were largely sustained by foreign investments and improvements in private investments, although public investment disbursements remained sluggish. FDI disbursements rose by 7.8% YoY to USD 8.25 billion in the first five months of 2024, marking the highest level in five years. The country continued to attract foreign investors, with total newly registered FDI and additional FDI soaring by around 33% YoY to approximately USD 10 billion. Private investments showed signs of improvement, with credit growth rates in Hanoi and Ho Chi Minh City reaching 5.1% and 9.8% YTD respectively by the end of May 2024. However, public investment disbursement was lackluster, with state investment growing by only 5.0% YoY and achieving just 27% of this year's plan. Nonetheless, progress is expected in the coming months, as public investment typically accelerates towards year-end.

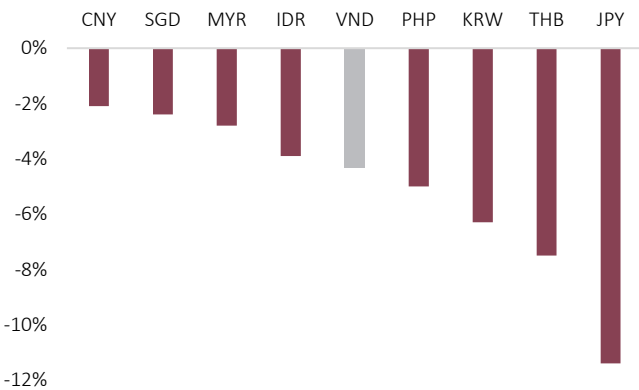
Inflation remained subdued in May, with headline inflation increasing by a marginal 0.05% month-on-month (MoM) or 4.4% YoY. Food and foodstuff prices rebounded, driven by higher pork prices (+1.94%), while accommodation and construction materials also saw increases due to electricity prices (+2.11%). However, gasoline (-4.72% MoM) and diesel prices (-5.08% MoM) experienced declines, thus dragging the transportation sub-index. Core inflation eased to 2.7% YoY in May, instilling confidence that the government can maintain inflation within the target range of 4.0% to 4.5% YoY for the year.



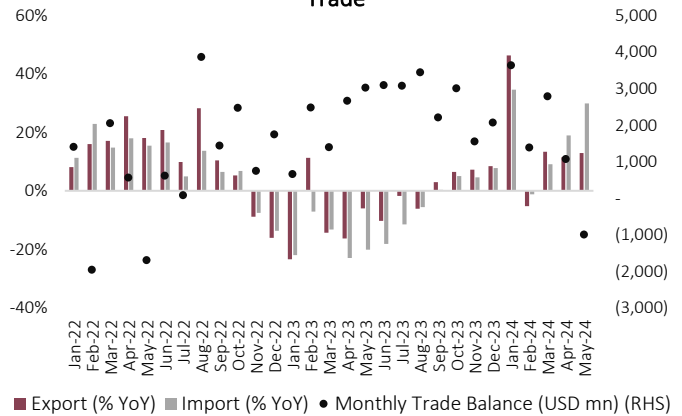
MACRO & MARKET COMMENTARY (cont.)

The Vietnamese Dong continued to face pressure from a strong US dollar and USD outflows, with imports surging by around 30% YoY in May, leading to heightened demand for the US dollar. To stabilize the foreign exchange (FX) market, the State Bank of Vietnam (SBV) raised its open market operations (OMO) rate to 4.5% and the rate for CB-Bills to 4.2%, while also actively selling USD. Banks responded by hiking deposit rates amidst FX market pressures and increased credit demand as credit growth rates in Hanoi and Ho Chi Minh City accelerated to 5.1% and 9.8% respectively by May 2024. Short-term volatility in the FX market is expected to persist due to the strong US dollar, but a calmer FX market is anticipated by year-end following potential Fed rate adjustments.

Performance of regional currencies YTD



Trade



The VN-Index rebounded strongly in May, gaining 4.3%, despite facing increased selling pressure from foreign investors. Throughout the month, foreign investors continued to divest from the market, totaling approximately USD 0.6 billion in net sales for May alone, or USD 1.4 billion since the beginning of the year. This aggressive selling may be attributed to profit-taking as the index nears its two-year high and concerns regarding the foreign exchange market. Conversely, retail investors showed resilience by returning to the stock market, seeking opportunities at lower price levels, thereby maintaining the average daily trading value at around USD 0.9 billion.

In May, most sectors recorded positive returns, with the exception of the financial sector, which posted a slight decline of 0.3%. The energy sector notably performed the best, surging by 14.2%, driven by the oil and gas stocks. The positive performance of oil and gas stocks was fueled by two main factors: the anticipation of Block B reaching Final Investment Decision (FID) in 2024, leading to increased stock prices of upstream enterprises (PVS, PVD, PVB), and the introduction of a draft for the new Petroleum Business Decree, which proposes changes favorable to the business activities of downstream petroleum distribution enterprises (PLX, OIL).

The VN-Index is currently trading with a trailing P/E ratio of 15.8x, nearing its average P/E ratio over the past three years, which stands at 16.3x. As a result, there could be an increase in selling pressure in the near term, particularly given the ongoing trend of divestment by foreign investors. Additionally, investors may pay close attention to preliminary second-quarter earnings results from listed companies and economic data for the same period by the end of June. We maintain a positive outlook on Vietnam's stock market for the remainder of the year, supported by strong economic activity and a rapid growth in earnings.

As of 31 May 2024	1M	3M	YTD	2023	VNI End Weight	TTM P/E	Current P/B	ROE	BETA
Communication Services	8.6%	-1.3%	-2.8%	1.1%	0.1%	31.6	1.1	3.1	0.9
Consumer Discretionary	10.4%	21.4%	33.0%	4.1%	3.9%	32.5	2.9	7.0	1.1
Consumer Staples	6.7%	-0.1%	2.9%	-13.5%	8.7%	21.7	2.8	12.4	0.8
Energy	14.2%	12.6%	17.4%	19.6%	1.7%	16.2	1.6	9.7	1.0
Financials	-0.3%	-5.0%	12.1%	21.7%	42.6%	9.8	1.6	16.9	1.1
Health Care	4.2%	6.6%	10.8%	12.4%	0.8%	17.0	2.1	13.9	0.6
Industrials	11.8%	13.2%	16.4%	24.8%	9.4%	19.0	2.1	7.9	1.1
Information Technology	10.8%	24.5%	39.1%	44.1%	3.9%	25.8	5.8	24.1	0.9
Materials	12.6%	8.7%	25.7%	42.9%	9.4%	22.9	1.9	8.0	1.4
Real Estate	1.0%	-5.3%	-2.9%	-4.5%	13.5%	14.8	1.3	8.5	1.1
Utilities	9.6%	3.3%	6.8%	-2.5%	6.3%	18.1	2.0	10.1	0.7
VN-Index	4.3%	0.3%	11.7%	12.2%	100%	15.8	1.8	12.1	1.0
VN30	2.9%	0.7%	12.8%	12.6%		12.3	1.7	14.3	

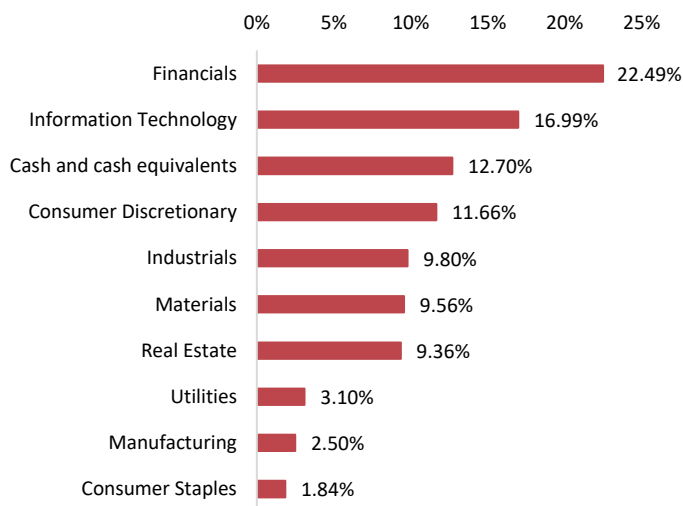


FUND PERFORMANCE COMMENTARY

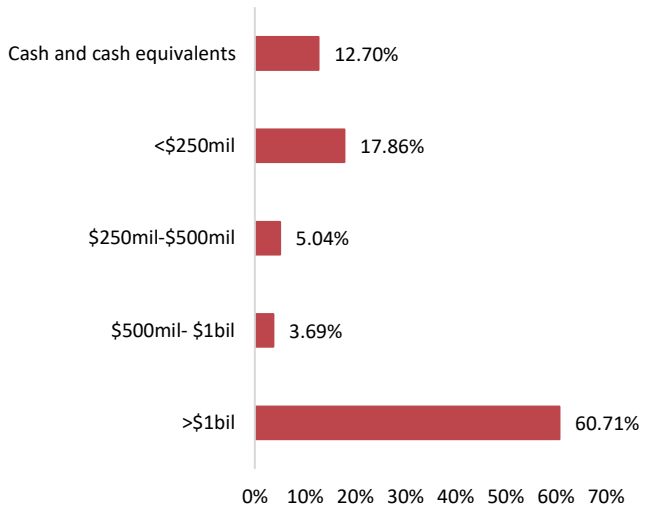
Fund statistics (12-months)

	SSI – SCA	VN-Index
Volatility (Std)	17.10%	16.78%
Sharpe Ratio	2.61%	0.94%
P/E Ratio TTM	13.99x	15.81x
P/B Ratio Current	2.10x	1.75x
Beta	0.89	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	P/E	Current P/B	ROE (%)
				(USD m)			
FPT	FPT Corp	Information Technology	16.99%	6,715.29	25.2	1.2	27.4
MWG	Mobile World Investment Corp	Consumer Discretionary	7.29%	3,653.46	88.9	3.7	4.3
ACB	Asia Commercial Bank	Financials	5.86%	4,325.40	7.0	1.5	23.0
HPG	Hoa Phat Group JSC	Materials	4.32%	7,186.53	19.7	1.7	9.2
STB	Saigon Thuong Tin Commercial JSB	Financials	3.46%	2,062.59	6.6	1.1	17.9

FUND PERFORMANCE COMMENTARY (cont.)

SSI-SCA fund increased by 8.1% in May 2024, compared to 4.3% for the VN-Index. Top performers of the fund were TV2 (+32.8%), SGP (+22.3%), HAX (+22.1%), NLG (+17.4%), BWE (+16.6%), REE (+16.3%), MWG (+15.9%) and MSH (+15.0%). Top laggards were VCB (-4.4%), VRE (-3.1%), CTG (-2.7%), and STB (-1.2%).

SCA's outperformance in May 2024 was mainly thanks to:

- We overweighted sectors outperforming the VN-Index, noticeably including Consumer Discretionary, Consumer Durables & Apparel, Capital Goods, Materials and Utilities sector.
- We underweighted the Banking sector but still outperformed VN-Index by our allocation in ACB (+9.3%).
- Our top 2 largest holdings, FPT (+9.3%) and MWG (+15.9%) with a total weight of nearly 25%, strongly outperformed the VN-Index in May 2024.

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

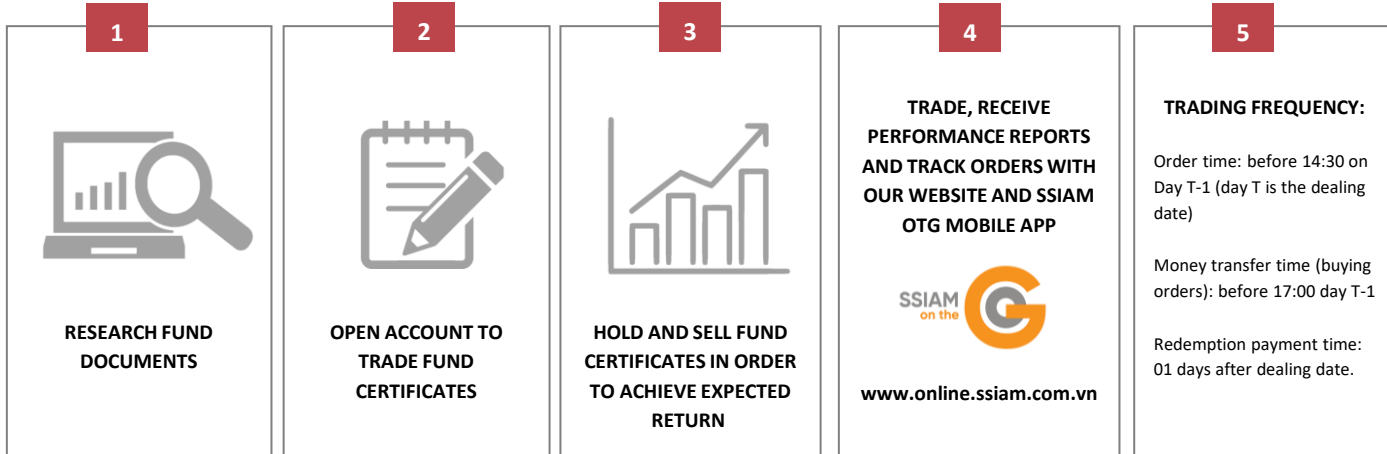
1. **FPT:** In 4M2024, FPT announced positive business results as revenue posted VND 18,989bn (+20.6% YoY) and PATMI posted VND 2,455bn (+21.6% YoY). Particularly, PBT of the Technology segment, Telecommunication, and Education, Investment & others segments were up by +26.5% YoY, +13.2% YoY, and +16.8% YoY, respectively, leading FPT's consolidated PBT growth of +19.7% YoY and PATMI growth of +21.6% YoY in 1Q2024.

FPT's newly signed revenue from Global IT Services reached VND 13,940bn (+12.8% YoY) in 4M2024. During the 4M2024, FPT continued to record numerous large orders from international markets. Specifically, FPT secured 20 large deals, each valued at over USD 5mn. The total value of these won deals grew by more than 30% YoY in 4M2024, indicating a rising global demand for IT services.
2. **MWG:** MWG stock price reflects the expectation that business will recover in 2024, driven by:
 - Vietnam's discretionary sector demand will improve compared to the low base in 2023.
 - TGDD & DMX retailing chains will achieve high earning growths, attributed to better operational efficiency in these years, following the store closures in 2023.
 - Bach Hoa Xanh's less loss-making business, backed by the improvement of profit margin and strong revenue per store.
 - In Q1/2024, MWG reached positive business results, which were in line with the expected business recovery trend. Particularly, net revenue was VND 31,441bn (+16% YoY) and PATMI was VND 902bn (+42.4x YoY), attributed to double-digit sales growth of consumer electronics category, maintained monthly sales per store and better profitability as the result of the focus on operational efficiency in 2023.
 - Besides, MWG maintained the positive topline in 4M2024 as revenue reached VND 43,039bn (+16.8% YoY), backed by Bach Hoa Xanh's revenue of around VND 12,400bn (+43% YoY) and TGDD & DMX's revenue of around VND 29,400bn (+8% YoY).
3. **ACB:** The stock price was positive in May 2024 and outperformed the banking sector in overall, given that (i) it delivered higher credit growth compared to the sector; (ii) strong asset quality and (iii) expectation that NIM will recover from 2024 attributed to lower cost of fund.
4. **TV2:** TV2 benefited from the long-term prospects of electricity infrastructure construction and the expected removal of development bottlenecks in the Song Hau 2 project.
5. **BWE:** In Q1/2024, BWE posted revenue of VND 792bn (+16% YoY) and PATMI of VND 179bn (+27% YoY).

SSI-SCA increased +25.0% compared to +11.7% of the VN-Index in 5M2024, delivering the excess return of +13.3%. At the end of May 2024, our top five holdings are FPT (17.0%), MWG (7.3%), ACB (5.9%), HPG (4.3%), and STB (3.5%). Our top holdings contribute +12.6% to SCA's total return in 5M2024.



INVESTMENT PARTICIPATION PROCEDURE



TRADING OVERVIEW

Dealing date: Every Working Day (Day T)

Cut-off time: 14:30 on Day T-1

Trading confirmation: Day

Day T-1	Day T	Day T+1
14:30 – Cut-off time	Fund Certificates Dealing Date	Receive Redemption Payment

SUBSCRIPTION ORDER

Subscription amount	Minimum VND 10,000 (not including transfer fee)
	Account name: QUY DAU TU LOI THE CANH TRANH BEN VUNG SSI
	Bank : Standard Chartered Bank (Vietnam) Limited
Money transfer	Number account : in accordance to each Distributor's account: https://ssi.com.vn/en/ssiam/dealing-ssi-sca
	Description : [Name] [Account Number] buy SSI-SCA

REDEMPTION ORDER

Redemption payment	Redemption payments (after tax, fees and bank charges) shall be made directly to Investors' bank accounts within one (01) day from the Dealing Date.
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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.

Please update us as soon as possible on any change of the Investor's information in the Part I of the Investor Profile provided to SSIAM.

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