



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

October, 2024

**FUND INFORMATION**

<b>Name of the Fund</b>	<b>SSI Sustainable Competitive Advantage Fund</b>
<b>Fund code</b>	<b>SSI-SCA</b>
<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>Custodian &amp; 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, 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>	<b>VND 742.31 billion (~ USD 29.58 million)</b> (as of 31 Oct 2024)

**INVESTMENT OBJECTIVES & STRATEGY**

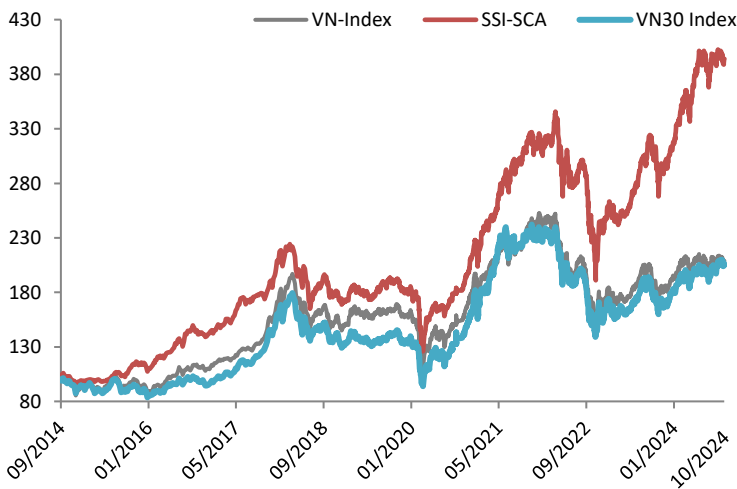
The Fund pursues long-term capital appreciation and regular return through investment in companies with sustainable competitive advantages and fixed income assets.

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	31/10/2024	30/09/2024	31/07/2024	31/12/2023	
NAV/unit	<b>39,562.29</b>	-1.38%	1.67%	29.38%	295.62%
VN-Index	<b>1,264.48</b>	-1.82%	1.04%	11.91%	109.01%
VN30-Index	<b>1,338.60</b>	-1.03%	3.04%	18.31%	106.06%



**FEES**

<b>Subscription Fee</b>	
From VND 1 million to VND 1 billion	0.75%
> VND 1 billion to VND 10 billion	0.50%
> VND 10 billion	0.25%
<b>Redemption Fee</b>	
Holding period within 12 months	1.25%
From more than 12 months to 24 months	0.75%
More than 24 months	Free
<b>Switching fee</b>	Free
<b>Transfer fee</b>	Free
<b>Subscription Fee applied for flexible SIP (SIPLH)</b>	Free
<b>Fee applied for exiting systematic investment plan (SIP) before reaching the minimum investment period</b>	0.75%
<b>Redemption fee applied for flexible SIP</b>	
Holding period within 12 months	2.00%
From more than 12 months to 24 months	1.25%
More than 24 months	Free

**FUND MANAGERS**

**Nguyen Ngoc Anh – CEO**  
Email: anhnn@ssi.com.vn

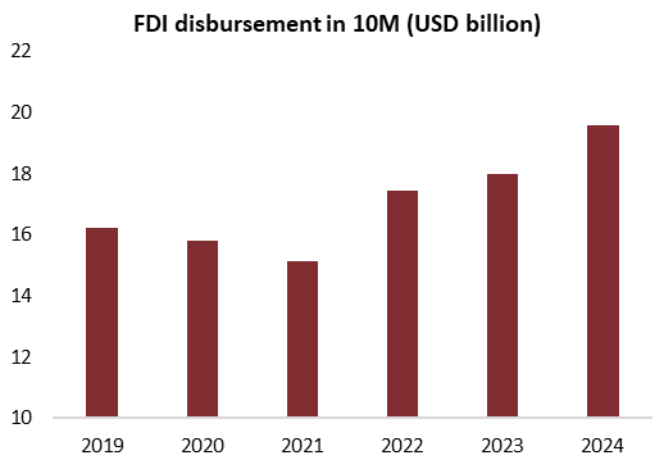
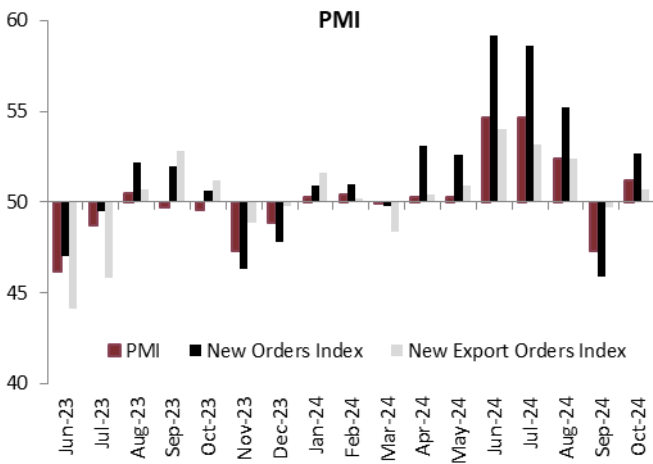
**Nguyen Xuan Quynh – Portfolio Management**  
Email: quynhnx@ssi.com.vn

**MACRO UPDATES – OCTOBER 2024**

**Manufacturing activities recovered in October**

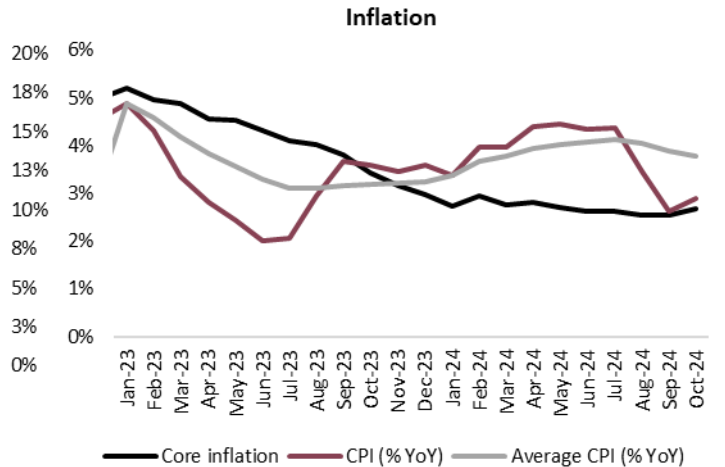
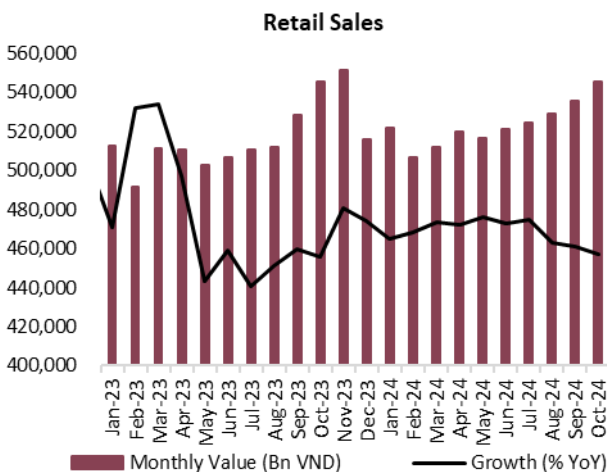
**The manufacturing sector regained positive momentum in October.** The index of industrial production (IIP) increased by 4.0% month-over-month (MoM) or 7.0% year-over-year (YoY). The growth of employees in the manufacturing sector also posted a new high of 5.7% YoY in October. Trade activities, closely linked with industrial production, were solid in October with double-digit growth in both exports (up 10.1% YoY) and imports (up 14.6% YoY). Trade surplus amounted to USD 2.0 billion in October and USD 23.3 billion through the first ten months of the year. Meanwhile, the manufacturing PMI returned to expansionary territory at 51.2 after a sharp drop in September due to Typhoon Yagi. Both production output index (52.1) and new orders index (52.7) experienced growth although the pace of growth has been softer than seen in the months leading up to September. According to the report, some firms were still operating at below capacity because of the storm, which suggests potential for further expansion in the months ahead as these firms ramp up towards full capacity.

**Foreign direct investment (FDI) remained robust in October** with FDI disbursement over the first ten months of 2024 increasing by 8.8% YoY to USD 19.6 billion, which is the highest level in the past five years. FDI commitments also grew by 1.9% YoY to reach USD 27.3 billion. The processing & manufacturing sector continued to account for the lion share of total FDI commitments at nearly 63%, confirming Vietnam’s attractiveness as a production hub for multinational corporations. In contrast, public investment remained slow and has not seen significant improvement. Public investment rose slightly by 1.8% YoY over the first ten months of this year, achieving VND 496 trillion or only 64.3% of the full-year target with two months left.



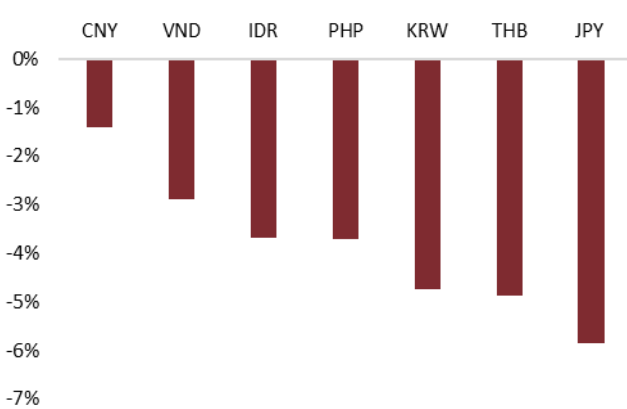
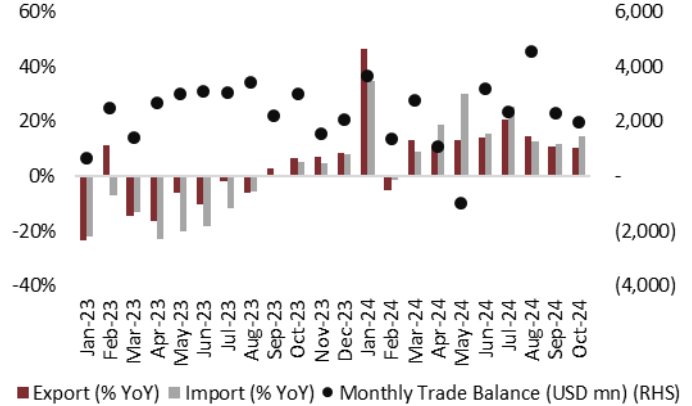
**Consumption remained soft in September**, with retail sales increasing by 7.1% YoY down from 7.6% YoY in August. For the first ten months of 2024, retail sales grew by 8.5% YoY, which remained below pre-COVID levels of 10-12%. However, tourism was a bright spot as the number of international visitors recovered strongly 13.0% MoM and 27.6% YoY in October. Year-to-date, this number reached over 14.1 million, up meaningfully 41.3% YoY but still slightly below pre-COVID level in 2019.

**September saw headline CPI rising 0.33% MoM**, primarily due to an increase in food and catering services prices (up 0.55% MoM) and transportation prices (up 0.66% MoM). However, on YoY basis, headline inflation was merely 2.89% YoY in September, up slightly from 2.63% YoY in September. Thus, inflation averaged 3.78% YoY over the past ten months, still in check within the Government’s target range of 4.0% – 4.5% YoY for 2024.



**MACRO UPDATES – OCTOBER 2024**

**October was a turbulent month for the foreign exchange market** as the US dollar strengthened meaningfully with the DXY up 3.2% MoM. Stronger-than-expected economic data from the U.S. led to a recalibration of market expectations towards a more moderate pace of rate cuts by the FED. Uncertainty around the U.S. presidential election also added to the strength of the greenback. A sharply higher DXY in October exerted significant upward pressure on the USD/VND exchange rate, which rose 2.9% MoM. To stabilize the market, the State Bank of Vietnam (SBV) had to resume issuance of T-bills to increase VND interbank rates, and the Bank also announced its readiness to intervene further via its FX reserve. Despite the volatility witnessed in October, we still expect the exchange rate situation to improve in the coming months as the FED is expected to lower policy rates further while FDI, trade flows, and remittances into Vietnam remain solid.

**Performance of regional currencies in October**

**Trade**


**The stock market took a breather in October** as the VN-Index corrected 1.8% to end the month at 1,264. The tepid performance of the market can be attributed to (i) exchange rate pressure raising concerns about the SBV's ability to maintain accommodative policies, (ii) mixed 3Q24 earnings results, and (iii) investors taking a cautious wait-and-see approach before the U.S. presidential election and FED meeting in early November. Excluding the 10% VIB divestment by the Commonwealth Bank of Australia and the 5% MSN divestment by SK Group, foreign investors were net sellers in October with total net outflows of over USD 170 million. Liquidity remained subdued in October with average daily trading volume of nearly USD 710 million.

From a sector perspective, the consumer, energy, and utilities sectors remained in the red in October, joined by the materials and real estate sectors. Meanwhile, the financials, industrials, and IT sectors held up better relative to the overall index. The financials sector, which holds the biggest weight in the VN-Index at 45%, saw mixed performance among the blue-chip banking stocks with VCB, VPB, and STB reporting gains while BID, CTG, and MBB losing ground. Household names in the consumer sector including MWG, VNM, and SAB declined as they reported weaker earnings growth in 3Q24.

**The VN-Index is currently trading at a trailing P/E ratio of 14.8x**, below its average P/E ratio of 17.3x over the past four years. Although the VN-Index could not breach the resistance level of 1,280-1,300 in October as we had hoped for, our bullish view on Vietnam's stock market over the medium term remained intact. Stronger earnings growth in 2025, a better macro backdrop thanks to further rate cuts by the FED, and potential for market upgrade by FTSE will be the key supporting factors for the market, in our view.

As of 31 October 2024	1M	3M	YTD	2023	VNI End Weight	TTM P/E	Current P/B	ROE	BETA
Communication Services	5.7%	5.0%	4.8%	1.1%	0.1%	31.0	1.1	3.7	0.9
Consumer Discretionary	-2.9%	-0.1%	32.9%	4.1%	3.8%	25.0	2.8	10.8	1.1
Consumer Staples	-2.6%	-2.5%	0.0%	-13.5%	8.3%	19.0	2.6	14.0	0.8
Energy	-6.4%	-8.8%	11.2%	19.6%	1.6%	15.6	1.5	8.4	1.0
Financials	-1.2%	4.5%	18.7%	21.7%	45.1%	9.9	1.6	17.1	1.0
Health Care	-1.9%	-0.5%	12.1%	12.4%	0.7%	18.8	2.2	12.5	0.6
Industrials	-0.7%	-3.0%	5.1%	24.8%	8.6%	17.1	1.8	8.5	1.0
Information Technology	0.7%	4.5%	56.3%	44.1%	4.3%	26.5	6.0	24.7	0.9
Materials	-2.7%	-1.8%	17.5%	42.9%	8.9%	17.7	1.7	9.5	1.3
Real Estate	-2.9%	1.4%	-5.9%	-4.5%	12.9%	14.7	1.2	7.2	1.1
Utilities	-3.3%	-8.3%	-1.3%	-2.5%	5.7%	16.1	2.0	11.0	0.7
VN-Index	-1.8%	1.0%	11.9%	12.2%	100%	14.8	1.7	12.5	1.0
VN30	-1.0%	3.0%	18.3%	12.6%		11.7	1.6	14.8	

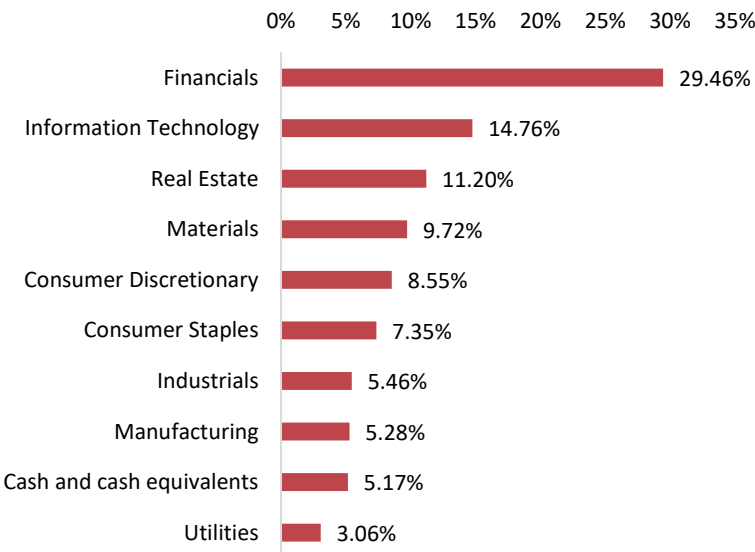


**FUND PERFORMANCE COMMENTARY**

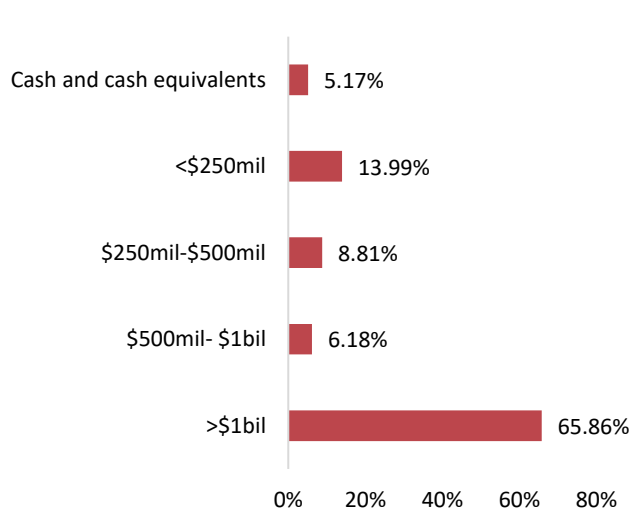
**Fund statistics (12-months)**

	SSI – SCA	VN-Index
Volatility (Std)	14.99%	14.56%
Sharpe Ratio	3.29%	1.61%
P/E Ratio TTM	12.34x	14.81x
P/B Ratio Current	2.01x	1.67x
Beta	0.92	1.02

**Fund Allocation by Sector (% NAV)**



**Fund Investment Allocation by Market Cap (% NAV)**



**TOP HOLDINGS (% NAV)**

Ticker	Company Name	Sector	% NAV	Mkt Cap (USD m)	P/E	Current P/B	ROE (%)
FPT	FPT Corp	Information Technology	14.76%	7,908.16	26.52	6.68	28.07
ACB	Asia Commercial Bank	Financials	8.59%	4,487.86	6.98	1.44	22.31
CTG	VietinBank	Financials	5.10%	7,583.41	8.88	1.37	16.52
HPG	Hoa Phat Group JSC	Materials	4.89%	6,806.14	14.12	1.54	11.53
MWG	Mobile World Investment Corp	Consumer Discretionary	4.06%	3,845.62	32.80	1.23	11.82



## FUND PERFORMANCE COMMENTARY

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**The SCA fund decreased by 1.38% in Oct 2024, compared to -1.82% for the VN-Index.** The top performers of the fund were STB (+5.5%), NTC (+4.8%), PTB (+3.7%), MSH (+2.1%), HPG (+2.0%), VCB (+1.7%), VEA (+1.1%) and FPT (+1.0%). The top laggards were IMP (-10.0%), DPR (-7.3%), and VNM (-5.7%).

**SCA's outperformance in Oct 2024 was mainly due to:**

- We overweighted sectors outperforming the VN-Index, noticeably including (1) IT sector driven by FPT (+1.0%), (2) Consumer Durables & Apparel sector driven by MSH (+2.1%), PTB (+3.7%), (3) Capital Goods sector driven by VEA (+1.1%), (4) Materials sector driven by HPG (+2.0%), and (5) Utilities sector driven by BWE (-0.8%).
- We underweighted the Banking sector and outperformed VN-Index by our allocation in STB (+5.5%) and VCB (+1.7%).

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

**1. STB +5.5% and VCB +1.7%:**

- STB released its 9M2024 results with TOI of VND 21.3tn (+9.2% YoY) and PBT of VND 8.1tn (+18.3% YoY).
- VCB released its 9M 2024 results with TOI of VND 50.9tn (-1.7% YoY) and PBT of VND 31.5tn (+6.7% YoY).

**2. FPT (+1.0%):** In 9M2024, FPT announced positive business results as revenue posted VND 45.2tn (+19% YoY) and NPAT post-MI posted VND 5.8tn (+22% YoY). Particularly, PBT of the Technology segment, Telecommunication segment, and Education, Investment & Others segments were up by +26% YoY, +15% YoY, and +22% YoY, respectively, leading FPT's consolidated PBT growth of +20% YoY and NPAT post-MI growth of +22% YoY in 9M2024.

**3. HPG (+2.0%):** HPG's market price was positive in October, backed by (1) the market price decrease in July and August, which created an attractive valuation upside for HPG since September, and (2) China's release of new major stimulus packages, expected to support the Chinese real estate and steel market in the coming months.

HPG announced its 9M2024 results with net revenue of VND 104.4tn (+23% YoY) and NPAT-MI of VND 9.2tn (+1.4x YoY). In Q3 2024, net revenue was VND 34tn (+19% YoY) and NPAT-MI was VND 3tn (+50% YoY).

**In 10M2024, the SCA fund increased by 29.38% compared to 11.91% for the VN-Index, delivering an excess return of 17.47%.** At the end of Oct 2024, our top five holdings were FPT (14.7%), ACB (8.5%), CTG (5.1%), HPG (4.8%), and MWG (4.0%). Our top holdings contributed 18.0% to SCA's total return in 10M2024.

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