

SSI SUSTAINABLE COMPETITIVE ADVANTAGE FUND (SSI-SCA)

December, 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 793.30 billion (~ USD 31.19 million) (as of 31 Dec 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	31/12/2024	30/11/2024	30/09/2024	31/12/2023	
NAV/unit	40,818.30	2.77%	1.75%	33.49%	308.18%
VN-Index	1,266.78	1.31%	-1.64%	12.11%	109.39%
VN30-Index	1,344.75	2.55%	-0.58%	18.85%	107.00%

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 within 12 months	1.25%
From more than 12 months to 24 months	0.75%
More than 24 months	Free

Switching fee

Free

Transfer fee

Free

Subscription Fee applied for flexible SIP (SIPLH)

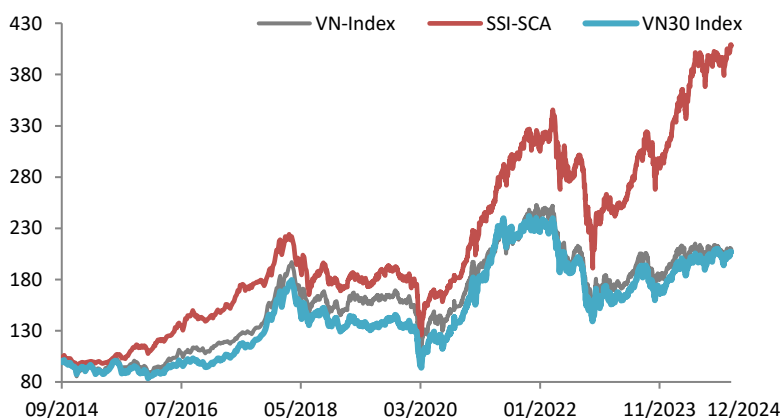
Free

Fee applied for exiting systematic investment plan (SIP) before reaching the minimum investment period

0.75%

Redemption fee applied for flexible SIP

Holding period within 12 months	2.00%
From more than 12 months to 24 months	1.25%
More than 24 months	Free


FUND MANAGERS

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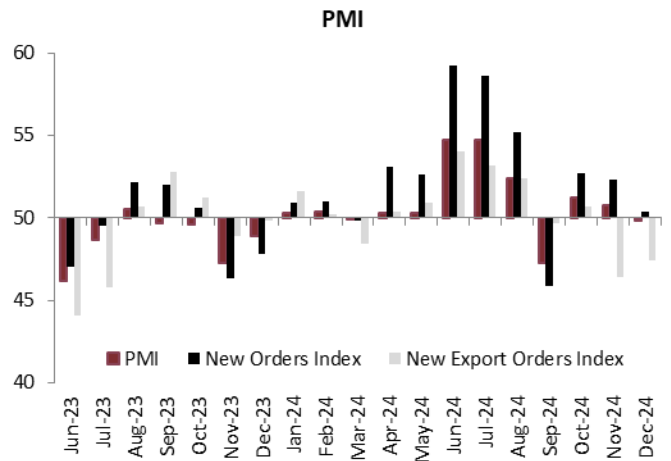
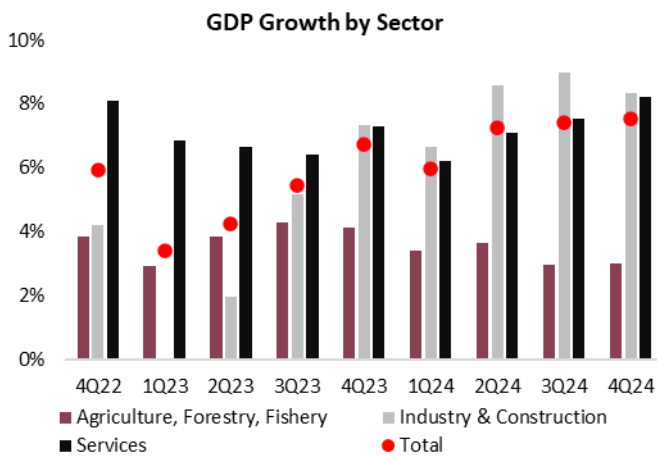
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MACRO UPDATES – DECEMBER 2024

Robust economic growth in 4Q24 to finish the year

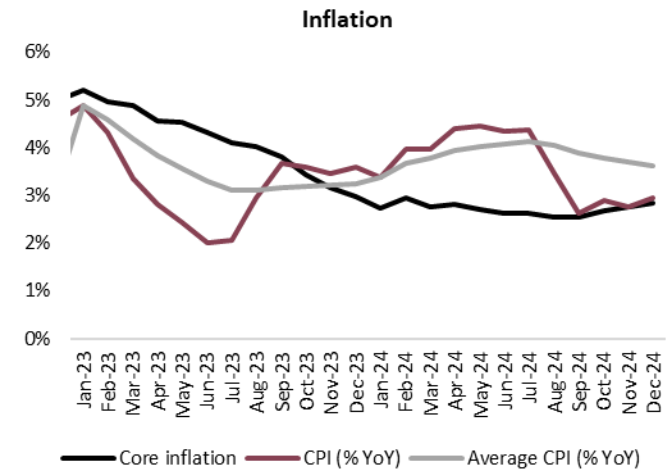
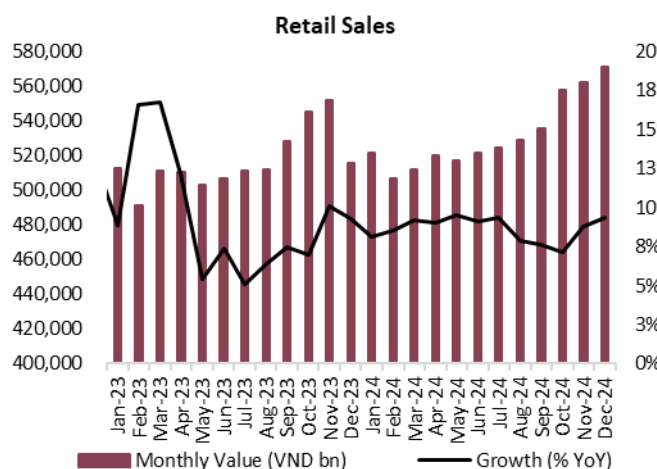
Vietnam's GDP grew by 7.55% YoY in the last quarter of 2024, accelerating from 7.43% level in 3Q24 and bringing full-year growth to reach an impressive 7.09%, which surpassed the government's target of 6.5-7.0% but was generally in line with market expectations. The faster pace of growth in 4Q24 was primarily driven by stronger activities in the services sector, which saw 8.2% YoY growth in 4Q24 and 7.4% growth for the full year, with broad-based expansion seen across sub-sectors. Meanwhile, the industry & construction sector remained solid, delivering 8.4% YoY growth in 4Q24 and 8.2% growth for the whole 2024. On the expenditure front, final consumption and gross capital formation grew by 6.6% and 7.2%, respectively, while trade surplus reached USD 24.8 billion in 2024. Nominal GDP amounted to USD 476 billion, translating to a GDP per capita of USD 4,700, which is considered to be in the upper middle-income range according to the World Bank.

The manufacturing sector maintained solid growth, with the index of industrial production (IIP) expanding by 7.9% YoY in 4Q24 and 8.4% YoY in 2024. Exports and imports maintained double-digit growth in 4Q24 at 11.5%/14.9% YoY, respectively, albeit somewhat lower than 3Q24 growth. Foreign direct investment (FDI) remained a bright spot, with 2024 disbursements achieving strong growth of 9.4% YoY to reach USD 25.4 billion and 2024 commitments moderating by 3.0% YoY from a high base to USD 38.2 billion. In December, the manufacturing PMI dropped to 49.8 whereas the non-seasonally adjusted (non-sa) figure reached 51.4 due to adjustments for the Lunar New Year. Although both output and new orders indices remained above 50, the rates of expansion were the lowest in the quarter. Looking ahead to 2025, the outlook for Vietnam's manufacturing sector seems uncertain given potential tariffs by the new incoming U.S administration. We hope further announcements once Mr. Trump takes office later in January will help to provide clarity regarding potential impact on Vietnam if any.



Consumption continued to improve in December with retail sales increasing by 9.3% YoY, the highest growth rate observed since July. For 2024, retail sales grew by 9.0% YoY, which remained below pre-COVID levels of 10-12%. We believe the data has yet captured the robust growth in e-commerce sales. Notably, tourism activities gained further momentum in December as the number of international visitors notched a high level at 1.75 million, which was above pre-COVID level in 2019.

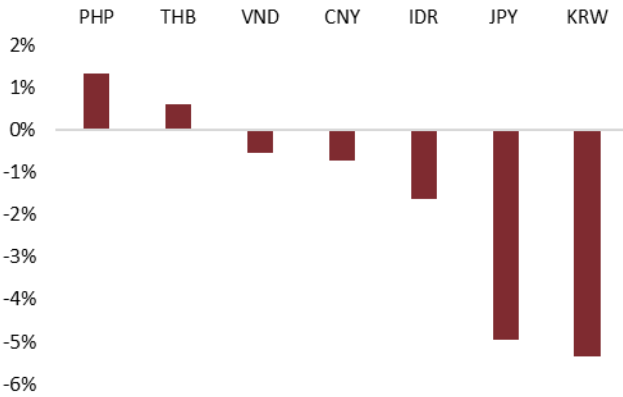
December saw headline CPI rising 0.29% MoM, driven by adjusted medical service prices and an increase in transportation prices due to gas prices rising 1.2% MoM. For the full-year 2024, inflation came in at 3.6% YoY on average, well below the Government's target range of 4.0% – 4.5% YoY. The biggest contributors to inflation in 2024 were food & foodstuff (+4.0%), shelter (+5.2%), health & personal care (+7.2%), and education (+5.5%).



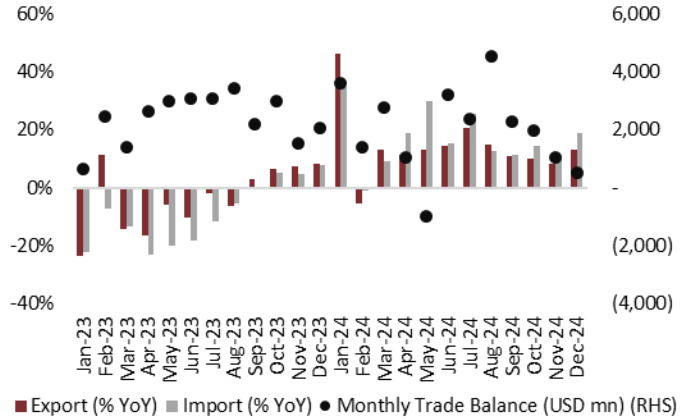
MACRO UPDATES – DECEMBER 2024

A stronger USD with a hawkish FED put immense pressure on the VND in December as the DXY went up 2.6% MoM. The FED made another 25bps rate cut at its December meeting, which was in-line with market expectations and brought the total amount of rate cuts to 100bps in 2024. However, in their updated economic projections, FOMC members revised up their GDP growth/inflation forecasts while lowering rate cut expectations for 2025 from 100bps to 50bps. This coupled with hawkish messages from Chairman Powell at the meeting caused the DXY to spike, which exerted significant pressure on the VND. To protect the VND, the State Bank of Vietnam had to intervene by increasing bill issuance activities and tapping into its FX reserve. The USD/VND exchange rate increased 0.5% to VND25,485/USD by the end of December and was up 5% for the whole 2024.

Performance of regional currencies in December



Trade



The VN-Index rebounded in December to 1,267 (+1.3% MoM) as foreign selling pressure abated. Net foreign outflows totaled USD 90 million in the month, down substantially from over USD 470 million in November. Market was also buoyed by several positive developments: (i) positive feedbacks from FTSE representatives on progress of Vietnam to meet the remaining 2 out of 9 criteria for emerging market upgrade, (2) accelerated process to roll out KRX trading system with launch date rumored to be in early May, (3) NVIDIA’s visit to Vietnam to sign strategic partnership with the local government. Although the index grinded higher, liquidity remained somewhat subdued in December with average daily trading volume across three trading bourses at USD 521 million.

The financials sector led the VN-Index higher in December with strong performance across all three sub-sectors including banks, brokerage, and insurance. Banking stocks, which account for roughly 40% of the VN-Index, rose higher as credit growth data for November and December came in quite strong. Meanwhile, the IT sector maintained strong momentum with FPT up another 6% MoM. Sector laggards in December included Consumer Staples, Energy, and Utilities.

The VN-Index is currently trading at a trailing P/E ratio of 14.8x, still below its average P/E ratio of 16.9x over the past four years. While uncertainty around U.S. tariff policies remains an overhang in the near term, we stay bullish on Vietnam’s stock market in 2025 as corporate earnings growth accelerate, driven by a stronger real estate market as well as improving domestic consumption, and foreign investors may return once Vietnam gets upgraded to emerging market status by FTSE.

As of 31 December 2024	1M	3M	YTD	2023	VNI End Weight	TTM P/E	Current P/B	ROE	BETA
Communication Services	34.5%	44.7%	43.4%	1.1%	0.1%	37.6	1.6	4.1	0.5
Consumer Discretionary	2.3%	-5.1%	29.5%	4.1%	3.7%	26.1	2.7	10.8	1.0
Consumer Staples	-0.9%	-4.6%	-2.0%	-13.5%	8.1%	20.0	2.6	14.0	0.9
Energy	-3.6%	-13.0%	3.2%	19.6%	1.5%	17.5	1.4	8.4	1.0
Financials	2.3%	-1.2%	18.6%	21.7%	45.2%	9.9	1.6	17.1	1.0
Health Care	3.0%	1.3%	15.4%	12.4%	0.8%	19.5	2.2	12.4	0.6
Industrials	1.7%	4.0%	10.0%	24.8%	9.0%	19.0	2.0	8.5	1.0
Information Technology	4.7%	11.8%	73.4%	44.1%	4.7%	29.5	6.6	24.7	1.0
Materials	-0.2%	-5.1%	14.5%	42.9%	8.7%	18.2	1.6	9.5	1.2
Real Estate	0.6%	-2.9%	-5.9%	-4.5%	12.6%	17.0	1.2	7.1	1.0
Utilities	-0.9%	-4.6%	-2.7%	-2.5%	5.6%	17.9	1.9	10.9	0.7
VN-Index	1.3%	-1.6%	12.1%	12.2%	100%	14.8	1.7	12.5	1.0
VN30	2.6%	-0.6%	18.9%	12.6%		12.7	1.6	14.8	

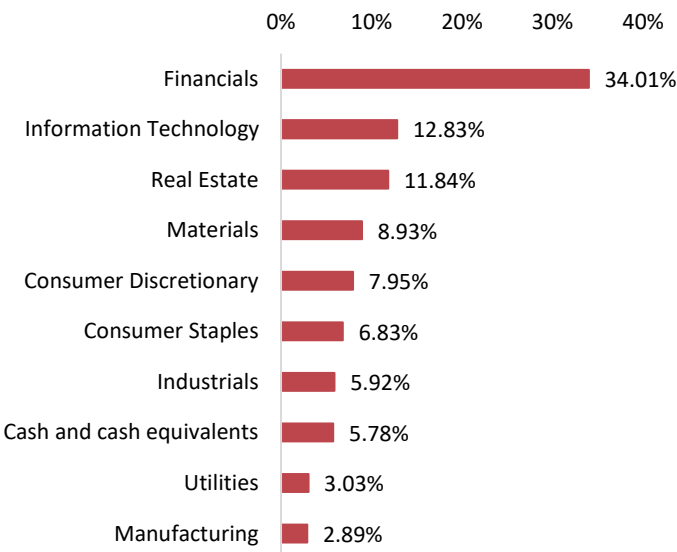


FUND PERFORMANCE COMMENTARY

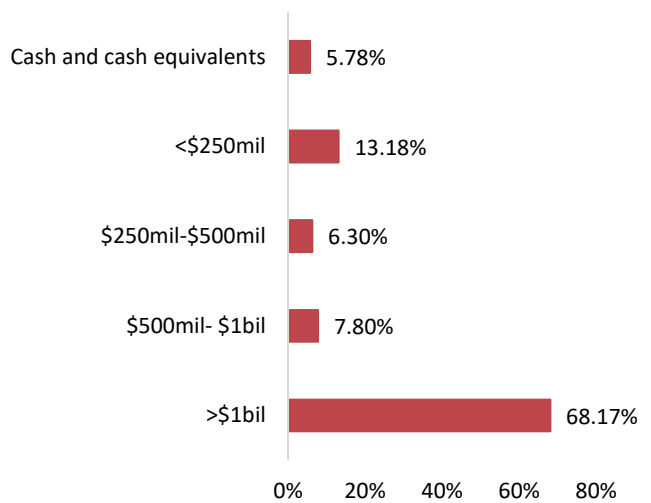
Fund statistics (12-months)

	SSI – SCA	VN-Index
Volatility (Std)	13.87%	13.42%
Sharpe Ratio	2.44%	0.87%
P/E Ratio TTM	11.96x	14.84x
P/B Ratio Current	1.92x	1.67x
Beta	0.96	1.00

Fund Allocation by Sector (% NAV)



Fund Investment 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	12.83%	8,802.75	29.76	7.50	28.07
ACB	Asia Commercial Bank	Financials	9.84%	4,521.87	7.09	1.46	22.31
CTG	VietinBank	Financials	7.47%	7,964.91	9.41	1.45	16.52
HPG	Hoa Phat Group JSC	Materials	4.94%	6,688.64	13.99	1.53	11.53
TCB	Vietnam Technological & Commercial JSB	Financials	4.09%	6,833.38	7.69	1.23	16.81



FUND PERFORMANCE COMMENTARY

The SCA fund increased by 33.49% in 2024, compared to +12.11% for the VN-Index. The top performers of the fund were FPT (+85.0%), MWG (+43.7%), TCB (+60.0%), CTG (+39.5%), MBB (+37.5%), MSH (+53.3%), REE (+39.7%), IMP (+43.2%), CTR (+49.0%).

SCA's outperformance in total return in 2024 was mainly due to:

- We overweighted sectors outperforming the VN-Index, noticeably including Information Technology sector, Consumer Discretionary sector, Industrials sector, highlighted by FPT (+85.0%), MWG (+43.7%), CTR (+49.0%), REE (+39.7%).
- We underweighted the Financials sector, Utilities sector and Real Estate sector, but still outperformed VN-Index by our allocation in ACB (+28.5%), TCB (+60.0%), CTG (+39.5%), MBB (+37.5%), KDH (+17.1%), LHG (+22.9%), NTC (+13.6%).

At the end of Dec 2024, our top five holdings were FPT (12.8%), ACB (9.8%), CTG (7.5%), HPG (4.9%), and TCB (4.1%). Our top holdings contributed 18.7% to SCA's total return in 2024.

In 2025, we will focus on identifying top-performing companies in industries benefiting from favorable economic conditions. Besides, we anticipate an optimistic outlook for the stock market, supported by positive corporate profit growth and attractive valuation. On the contrary, along with supportive factors, we also see some remaining challenges. Key risks include US trade policies, global inflation, and USD value fluctuations. To navigate these uncertainties, we will prioritize stocks with strong growth fundamentals and enhance risk management for our portfolio. Additionally, we plan to explore new investment opportunities at favorable prices for the portfolio.

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