

SSI SUSTAINABLE COMPETITIVE ADVANTAGE FUND (SSI-SCA)

July, 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 684.02 billion (~ USD 27.3 million) (as of 31 July 2024)

INVESTMENT OBJECTIVES & STRATEGY

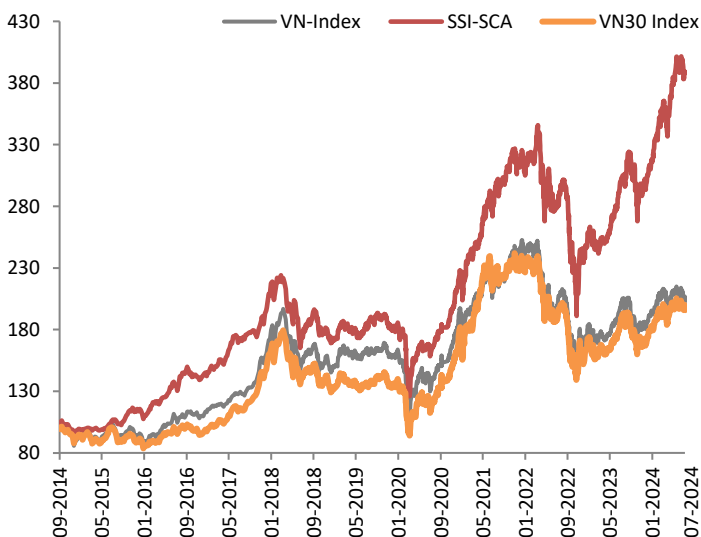
The Fund pursues long-term capital appreciation and regular return through investment in companies with sustainable competitive advantages and fixed income assets.

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	31/07/2024	30/06/2024	30/04/2024	31/12/2023	
NAV/unit	38,913.74	0.19%	10.12%	27.26%	289.14%
VN-Index	1,251.51	0.50%	3.47%	10.76%	106.87%
VN30-Index	1,299.09	1.62%	4.72%	14.82%	99.97%


FUND MANAGERS

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

Quynh Nguyen Xuan – Portfolio Management
Email: quynhnx@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 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

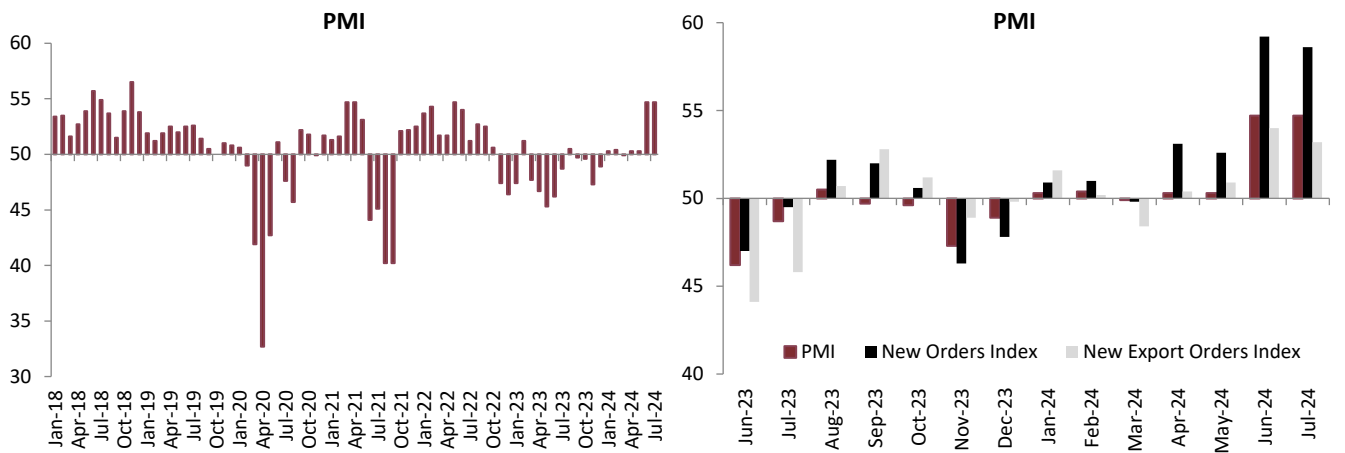
Holding period within 12 months	2.00%
From more than 12 months to 24 months	1.25%
More than 24 months	Free

MACRO & MARKET COMMENTARY

Vietnam’s economy sustained its growth trajectory in July

In July, Vietnam’s economy sustained its growth trajectory, driven by a strong performance in the manufacturing sector and robust export activity. The government has set a revised economic growth target of 6.5 – 7% year-over-year (YoY) for 2024. With considerable potential for increased public investment in the second half of the year, achieving this target seems feasible.

The manufacturing sector continued to experience significant growth, maintaining an 11.2% YoY increase in July. Manufacturers expanded their workforce to support production, with employment in this sector growing steadily at 3.3% YoY. Major exports, including electronic products, mobile phones and parts, and machinery and components, saw impressive double-digit growth rates of 22.5%, 19.1%, and 28.5% YoY, respectively. Foreign Direct Investment (FDI) also remained strong, with disbursements rising by 8% YoY to USD 12.6 billion in the first seven months of 2024. Additionally, newly registered and additional FDI increased by approximately 30% YoY to USD 15.7 billion over the same period. Given these robust FDI inflows and export recoveries, we remain optimistic about the manufacturing sector's performance in the latter half of 2024.

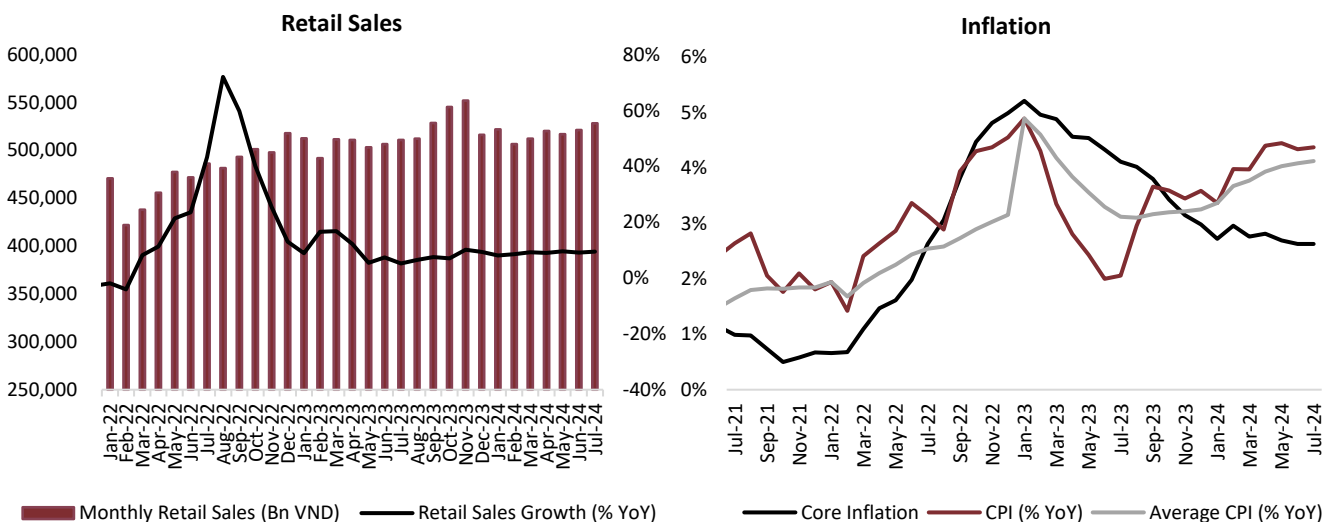


Source: SSIAM, GSO

Public investment has not shown improvement, with a 1.6% YoY decline in July. Year-to-date, public investment grew by only 2.3% YoY, achieving just 40.6% of the annual target. Despite these challenges, the government’s ongoing efforts to boost public investment are expected to accelerate by year-end. With the manufacturing sector’s current momentum and potential for increased public investment in the second half of 2024, GDP growth could exceed 6.5% YoY for the year.

Consumption showed strength, with retail sales increasing by 9.4% YoY in July and 8.7% YoY for the first seven months of 2024. This uptick in consumer spending was reflected by better-than-expected earnings from leading consumer and retail companies, such as Vinamilk and Mobile World.

Inflation, however, picked up pace in July due to rising gasoline prices and an increase in the base salary. The consumer price index (CPI) rose by 0.48% month-over-month (MoM) and 4.36% YoY, driven by an adjustment in the base salary from VND 1.8 million to VND 2.34 million per month, a 3.55% increase in petroleum prices, and a 1.39% rise in electricity prices. With consumer prices up about 1.9% year-to-date, we believe the government can manage inflation within its target range of 4.0% to 4.5% YoY for 2024.

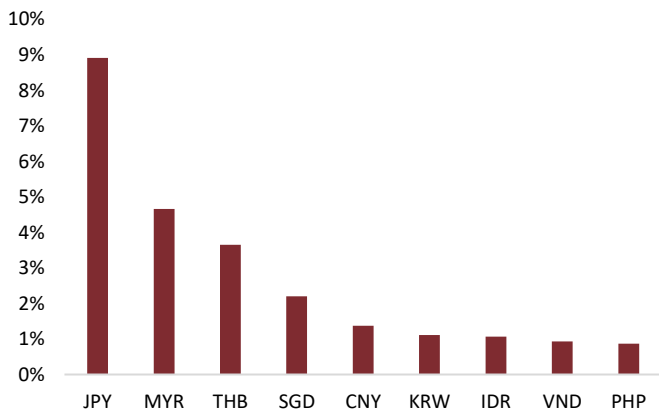


Source: SSIAM, GSO

MACRO & MARKET COMMENTARY (cont.)

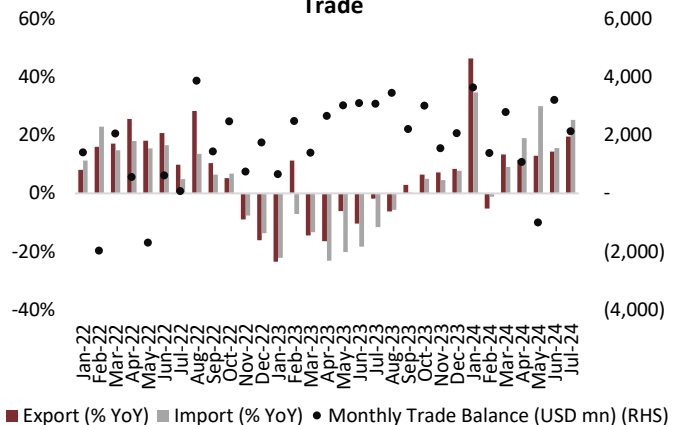
The Vietnamese Dong remained stable in July, supported by a weaker US dollar and improved USD inflows. The exchange rate between the USD and VND held steady in the official market, with the gap between official and unofficial exchange rates narrowing to 0.9% from 1.8% the previous month. The US dollar's decline, attributed to lower inflation and anticipated interest rate cuts in September, contributed to this stability. Meanwhile, Vietnam's trade balance showed a surplus of USD 2.1 billion in July and USD 14 billion for the first seven months of the year. FDI disbursements continued robustly at USD 12.6 billion. Deposit rates increased by approximately 10 basis points in July, which helped close the gap between USD and VND interest rates. Looking ahead, we anticipate the USD/VND exchange rate will remain stable through the year-end, supported by (i) the weaker US dollar, (ii) rising USD inflows, and (iii) a narrower interest rate gap between USD and VND

Performance of regional currencies in July



Source: SSIAM, GSO

Trade



The VN-Index faced significant volatility in July due to heightened selling pressure from both local and foreign investors. Despite this turbulence, the VN-Index managed to recover, ending the month at 1,251.5, equivalent to an increase of 0.5% from the previous month. This recovery was largely supported by improved earnings reported by listed companies for the second quarter of 2024. However, market sentiment remained cautious, with the average daily trading value plummeting by 27% MoM to approximately USD 0.7 billion. Foreign investors continued to be net sellers, offloading around USD 320 million in July and USD 2.4 billion over the first seven months of 2024.

The energy, financials, and healthcare sectors emerged as the top performers. The energy sector was led by PLX, which reported better-than-expected earnings for Q2 2024. The banking sector showed improvements in asset quality and credit growth, with projections indicating a potential acceleration in earnings growth for the second half of 2024, estimated between 20% and 25% YoY. The healthcare sector saw gains driven by IMP, benefiting from new policies favoring EU-GMP certified domestic manufacturers.

Valuation for the VN-Index has become more appealing, with the trailing P/E ratio falling to 14.7x, significantly below the five-year average of around 17x. While short-term corrections may follow global market fluctuations, we remain optimistic about the stock market's mid- to long-term prospects, given the robust fundamentals of Vietnam's economy and its listed companies.

As of 31 July 2024	1M	3M	YTD	2023	VNI End Weight	TTM P/E	Current P/B	ROE	BETA
Communication Services	-2.1%	11.5%	-0.2%	1.1%	0.1%	32.2	1.1	3.1	0.9
Consumer Discretionary	0.0%	10.3%	32.9%	4.1%	3.8%	25.2	2.8	9.4	1.1
Consumer Staples	1.2%	6.4%	2.6%	-13.5%	8.7%	20.8	2.6	11.8	0.8
Energy	7.2%	18.7%	22.0%	19.6%	1.8%	16.0	1.7	10.5	1.0
Financials	3.6%	1.1%	13.6%	21.7%	43.7%	9.6	1.6	17.2	1.1
Health Care	3.5%	5.8%	12.6%	12.4%	0.8%	18.0	2.2	13.9	0.6
Industrials	-7.2%	4.1%	8.4%	24.8%	8.8%	19.1	1.9	8.2	1.1
Information Technology	-2.0%	19.0%	49.5%	44.1%	4.1%	26.5	6.1	24.4	0.9
Materials	-3.4%	7.1%	19.6%	42.9%	9.2%	18.9	1.8	9.0	1.4
Real Estate	-1.0%	-3.5%	-7.2%	-4.5%	12.8%	15.3	1.2	7.7	1.0
Utilities	0.0%	10.4%	7.5%	-2.5%	6.3%	18.5	2.0	9.0	0.7
VN-Index	0.5%	3.5%	10.8%	12.2%	100%	14.7	1.7	12.6	1.0
VN30	1.6%	4.7%	14.8%	12.6%		12.4	1.7	14.3	

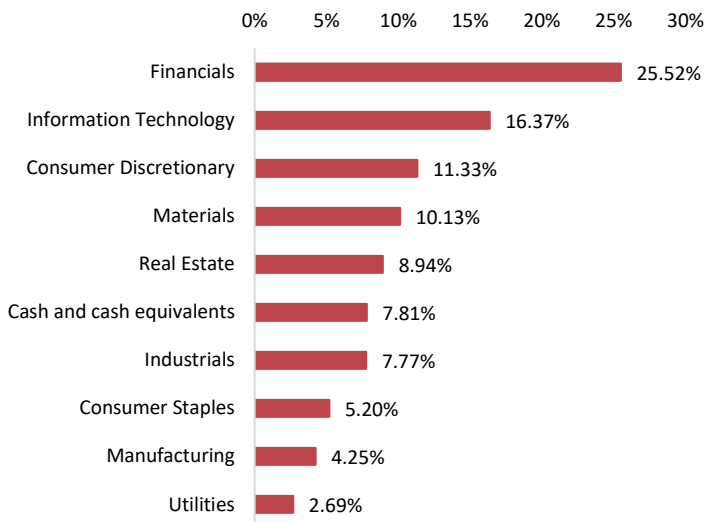


FUND PERFORMANCE COMMENTARY

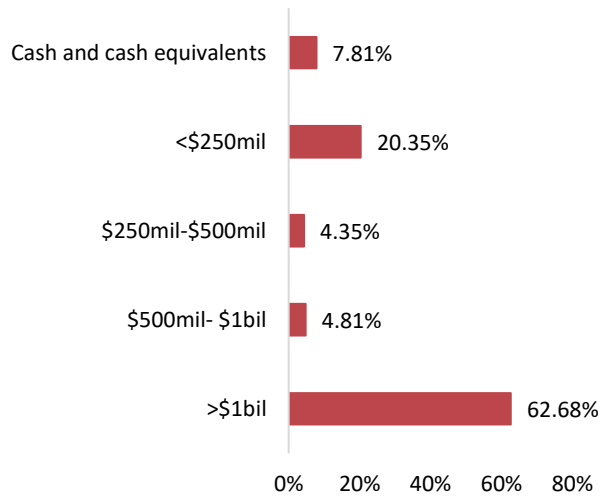
Fund statistics (12-months)

	SSI – SCA	VN-Index
Volatility (Std)	17.17%	16.96%
Sharpe Ratio	1.63%	0.03%
P/E Ratio TTM	13.17x	14.69x
P/B Ratio Current	2.09x	1.70x
Beta	0.92	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	P/E	Current P/B	ROE (%)
				(USD m)			
FPT	FPT Corporation	Information Technology	16.37%	7,438.75	26.32	6.83	27.63
ACB	Mobile World Investment Corporation	Consumer Discretionary	7.91%	4,343.17	6.68	1.47	23.85
MWG	Asia Commercial Bank	Financials	6.60%	3,694.16	42.34	3.57	8.93
CTG	Hoa Phat Group Joint Stock Company	Materials	3.97%	6,806.07	8.50	1.27	16.03
HPG	Vietnam Joint Stock Commercial Bank for Industry and Trade	Financials	3.70%	6,890.76	15.58	1.22	10.82



FUND PERFORMANCE COMMENTARY

The SCA fund increased by 0.19% in Jul 2024, compared to 0.5% for the VN-Index. The top performers of the fund were IMP (+22.1%), LHG (+13.4%), REE (+11.1%), MBB (+9.9%), VNM (+6.0%), and VCB (+4.6%). The top laggards were TV2 (-25.5%), SGP (-14.6%), VRE (-9.0%), BWE (-6.8%), and PTB (-6.0%).

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

1. REE (+11.1%): REE's market price was positive in July due to (1) the expected income recovery in 2H driven by better hydro power plant volume, and (2) the major shareholder, Platinum Victory, registered to buy 4 million shares at VND 80,000, equivalent to a price premium of 20% versus market price, to increase their stake to 35.7%.

2. MBB (+9.9%) and ACB (+3.1%):

MBB released its consolidated results for 1H2024 with PBT of VND 13.4 trillion (+5% YoY), implying 2Q2024 PBT of VND 7.6 trillion (+32% QoQ; +23% YoY). MBB's NIM showed QoQ improvement, along with better asset quality and ongoing strong NOII.

ACB released its 1H2024 results with TOI of VND 16.8 trillion (+5.5% YoY) and PBT of VND 10.5 trillion (+5.0% YoY). On a QoQ basis, 2Q2024 TOI and PBT increased by 6% and 14%, respectively. The increase in 1H2024 PBT was attributed to (1) an 11% YoY increase in NII, (2) a 13.4% YoY increase in pure NFI, and (3) gains from investment activities.

3. LHG (+13.4%): LHG released its consolidated results for 2Q2024, recognizing revenue of VND 162 billion (2.5 times YoY) and NPAT of VND 67.8 billion (2.3 times YoY).

4. IMP (+22.0%): IMP's price was positive in July driven by (1) the expected positive earnings in 2024 with double-digit growth, contributed by the higher utilization rate of the IMP 4 factory, and (2) the attractive valuation upside thanks to the remaining low EV/EBITDA multiple.

In 7M2024, the SCA fund increased by 27.26% compared to 10.76% for the VN-Index, delivering an excess return of 16.5%. At the end of Jul 2024, our top five holdings were FPT (16.3%), ACB (7.9%), MWG (6.6%), CTG (3.9%), and HPG (3.7%). Our top holdings contributed 15.5% to SCA's total return in 7M2024.

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

SSI ASSET MANAGEMENT COMPANY LIMITED

Mrs. PHUONG TRAN THU
Business Development Manager

T: (+84) 28 3824 2897 ext 1643
M: (+84) 968 383 482
E: phuongtt1@ssi.com.vn

Mrs. QUYNH NGUYEN XUAN
Portfolio Manager

T: (+84) 24 3936 6321 ext 1607
E: quynhnx@ssi.com.vn