

SSI SUSTAINABLE COMPETITIVE ADVANTAGE FUND (SSI-SCA)

June, 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 658.91 billion (~ USD 26.9 million) (as of 30 June 2024)

INVESTMENT OBJECTIVES & STRATEGY

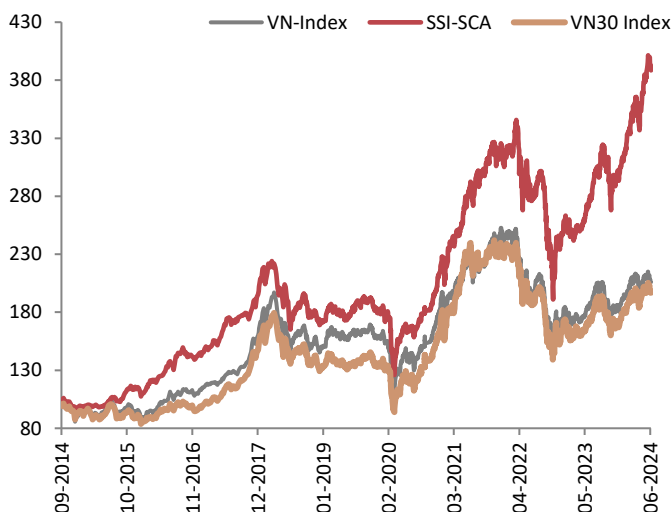
The Fund pursues long-term capital appreciation and regular return through investment in companies with sustainable competitive advantages and fixed income assets.

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	30/06/2024	31/05/2024	31/03/2024	31/12/2023	
NAV/unit	38,840.16	1.64%	6.69%	27.02%	288.40%
VN-Index	1,245.32	-1.30%	-3.02%	10.21%	105.84%
VN30-Index	1,278.32	0.18%	-1.43%	12.98%	96.78%


FUND MANAGERS

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Email: quynhnx@ssi.com.vn

FEEES
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

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

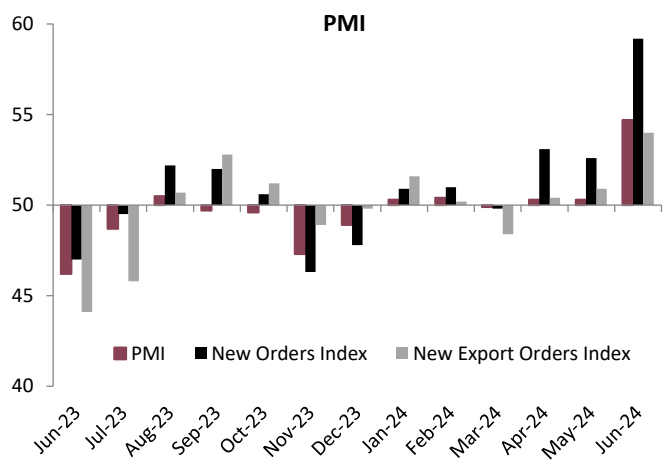
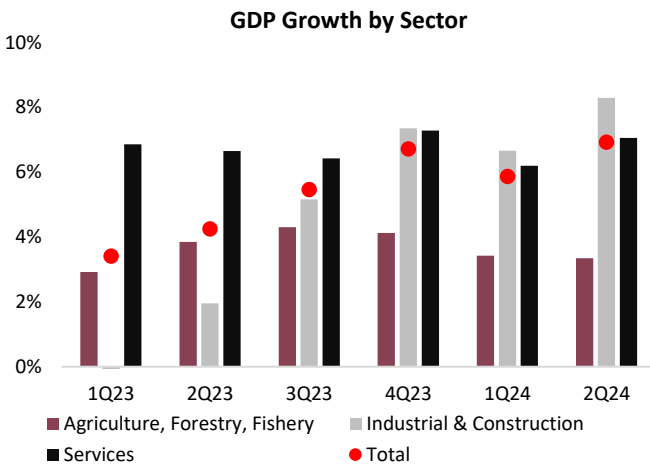
Holding period below 12 months	2.00%
Holding period from 12 to 24 months	1.25%
Holding period above 24 months	Free

MACRO & MARKET COMMENTARY

Manufacturing sector drives stronger-than-expected 2Q24 GDP growth

The second quarter of 2024 saw economic growth outpace expectations, driven primarily by accelerated growth in the manufacturing and robust services sectors. GDP expanded by 6.9% year-over-year (YoY) in 2Q24, fueled by an 8.3% YoY growth in the industrial and construction sectors, and a 7.1% YoY growth in services. As a result, GDP growth for the first half of 2024 reached 6.4% YoY, marking the second highest growth rate in the past five years, slightly below the 6.6% YoY growth recorded in the first half of 2022. On the expenditure side, the stronger-than-expected GDP growth was led by a 6.7% YoY increase in gross capital formation and a trade surplus contributing 0.6 percentage points to overall growth. These factors suggest that the government's target of 6.5% YoY GDP growth for 2024 is achievable.

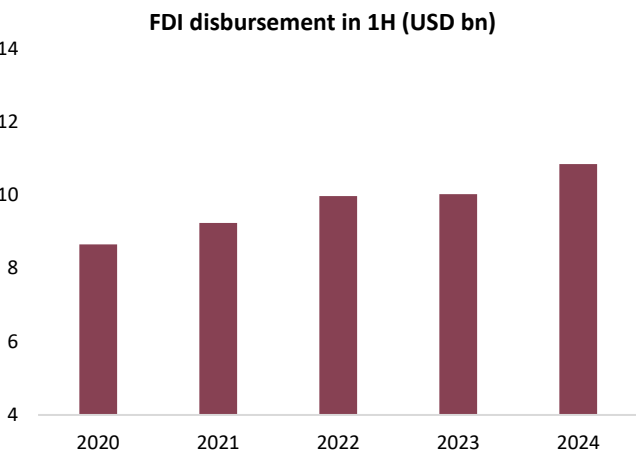
The manufacturing sector continued its strong performance in June, supported by robust growth in the Index of Industrial Production (IIP) and Manufacturing Purchasing Managers' Index (PMI). The IIP surged by 10.9% YoY in June, while the manufacturing PMI reached 54.7 points, its highest level since November 2018. Output expanded at its fastest pace, reaching 57 points, with increased purchasing activity as reflected in a rise to 54.2 points in the index of quantity of purchases. Other indicators such as electricity production, imports of raw materials, and staffing levels also confirmed the sector's upward momentum, suggesting sustained acceleration through the year-end and bolstering overall economic growth.



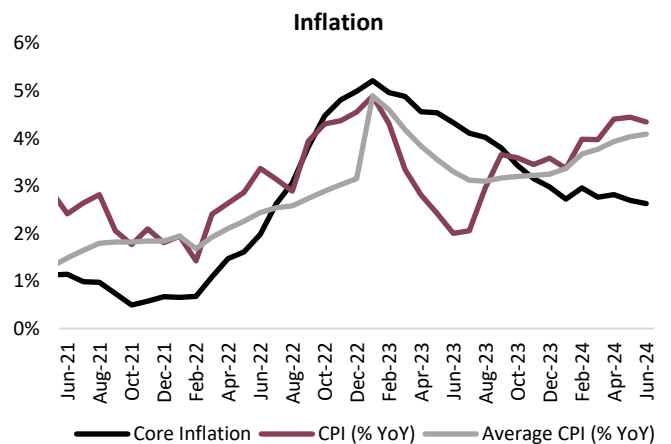
Source: SSIAM, GSO

Total social investments strengthened by 7.5% YoY in 2Q24, or 6.8% in the first half, driven by increased private and foreign investments. Private investments rose by 7.9% YoY, while foreign investments surged by 11.4% in Q2 2024. Credit demand recovered, with credit growth reaching 4.5% year-to-date as of June 24, 2024, up from 3.83% in the same period last year. Foreign direct investment (FDI) disbursement hit a record high of USD 10.8 billion in the first half of 2024, with total newly registered and additional FDI rising by approximately 43% YoY to USD 13.5 billion, focusing on the manufacturing and real estate sectors. Public investment, however, grew slower at 2.5% YoY in 2Q24, down from 5.0% in 1Q24, but is expected to accelerate in the second half of the year due to the Government's determination to enhance infrastructure.

Inflation remained moderate in June, driven mainly by higher food and foodstuff prices and seasonal factors. Consumer prices rose by 0.17% month-over-month (MoM) or 4.34% YoY in June, averaging 4.08% YoY in the first half of 2024. Food and foodstuff prices recorded the highest increase of 0.75% MoM, primarily due to a 3.8% MoM increase in pork prices. Increased demand for summer vacation pushed prices in culture, sports, and entertainment up by 0.68% MoM in June. Core inflation eased further to 2.6% YoY in June, supporting confidence that the government can achieve its inflation target of 4.0-4.5% YoY for the year.

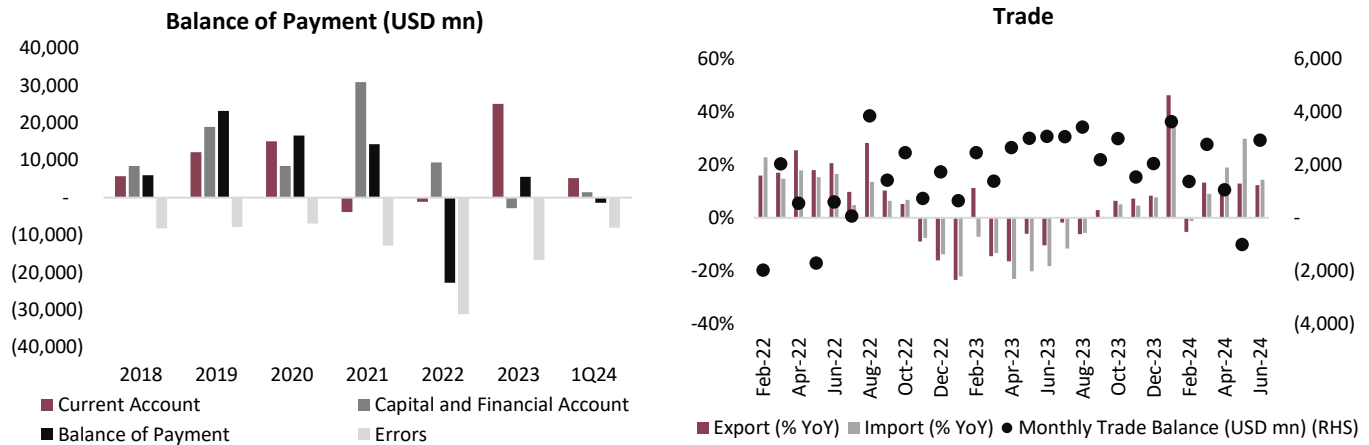


Source: SSI AM, GSO



MACRO & MARKET COMMENTARY (cont.)

The Vietnamese Dong continued to face pressure from a stronger US dollar and increased USD outflows in June. Imports grew by an estimated 14% YoY in June, while foreign investors withdrew a net USD 650 million from the stock market in June, totaling around USD 2 billion in the first half of 2024. The balance of payments in 1Q24 showed significant outflows, with a negative balance of USD 1.4 billion, largely due to substantial errors and omissions totaling -USD 8.0 billion. The unofficial USD/VND exchange rate reached VND 26,000/USD, 2.2% higher than the official rate, prompting the State Bank of Vietnam to intervene further by raising the CB-Bills rate to 4.5% and selling USD to stabilize the foreign exchange market. Given the recovery of credit demand and tension in the FX market, banks continued to raise their deposit rates by an average of 10 basis points in June. With credit demand expected to rise further towards the year-end and currently slower deposit growth compared to credit growth (1.5% YTD vs. 4.5% as of June 24, 2024), we expect banks to raise their deposit rates further by around 50 bps.



Source: SSIAM, GSO

The VN-Index declined by 1.3% MoM in June, influenced by (i) increased selling pressure from foreign investors, (ii) volatility in the FX market, and (iii) rising deposit rates. Foreign investors continued their trend of divesting from the Vietnam stock market, with total net sales reaching approximately USD 650 million in June, primarily driven by profit-taking activities. Stocks such as FPT, VHM, MWG, VRE, and HPG were among those mostly divested by foreign investors. Retail investors continued to return to the stock market amid low interest rate environment. Average daily trading value was around USD 0.9 billion, though it tapered off towards the end of the month amid concerns over currency depreciation.

Most sectors experienced negative returns during the month, except for the information technology sector, which notably gained 9.6%. This sector's outperformance was led by FPT (+12.3%). The VN-Index underwent a minor correction and is currently trading with a trailing P/E ratio of 15.4x, slightly below its three-year average of 16.3x. With the economy showing signs of growth acceleration, expectations are for the stock market to rebound and trend higher in the coming months. Investor focus is likely to remain on companies demonstrating strong earnings growth in 2Q24 and promising prospects for the second half of the year. We maintain confidence in Vietnam's stock market outlook for the remainder of the year, supported by robust economic growth and anticipated acceleration in earnings among listed companies.

As of 28 June 2024	1M	3M	YTD	2023	VNI End Weight	TTM P/E	Current P/B	ROE	BETA
Communication Services	4.9%	3.3%	2.0%	1.1%	0.1%	33.1	1.1	3.1	0.9
Consumer Discretionary	-0.1%	11.7%	33.0%	4.1%	3.9%	32.4	2.9	7.0	1.1
Consumer Staples	-1.3%	-0.8%	1.5%	-13.5%	8.7%	21.5	2.7	12.4	0.8
Energy	-3.0%	4.5%	13.8%	19.6%	1.7%	15.6	1.5	9.7	1.0
Financials	-2.2%	-8.0%	9.6%	21.7%	42.3%	9.6	1.5	16.9	1.1
Health Care	-1.9%	0.1%	8.8%	12.4%	0.7%	16.6	2.1	13.9	0.6
Industrials	0.4%	7.6%	16.8%	24.8%	9.6%	18.7	2.1	7.8	1.1
Information Technology	9.6%	27.2%	52.5%	44.1%	4.2%	28.3	6.4	24.1	0.9
Materials	-1.6%	1.8%	23.8%	42.9%	9.6%	22.4	1.8	8.0	1.4
Real Estate	-3.4%	-11.5%	-6.2%	-4.5%	13.1%	14.3	1.2	8.5	1.1
Utilities	0.7%	2.4%	7.5%	-2.5%	6.3%	18.0	2.1	10.1	0.8
VN-Index	-1.3%	-3.0%	10.2%	12.2%	100%	15.4	1.7	12.1	1.0
VN30	0.2%	-1.4%	13.0%	12.6%		12.3	1.7	14.3	

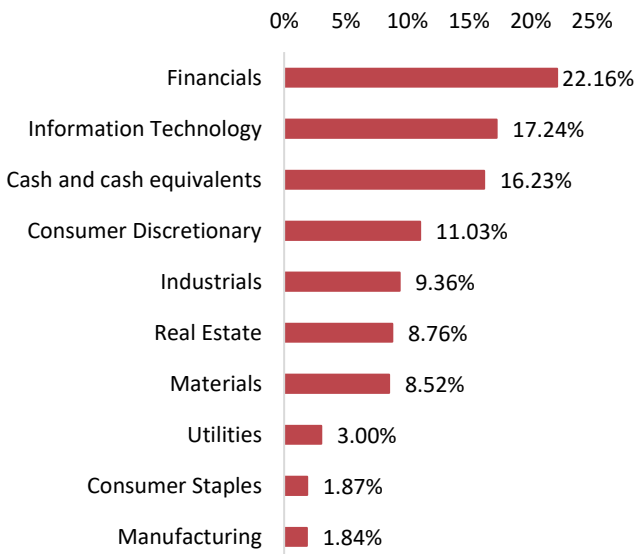


FUND PERFORMANCE COMMENTARY

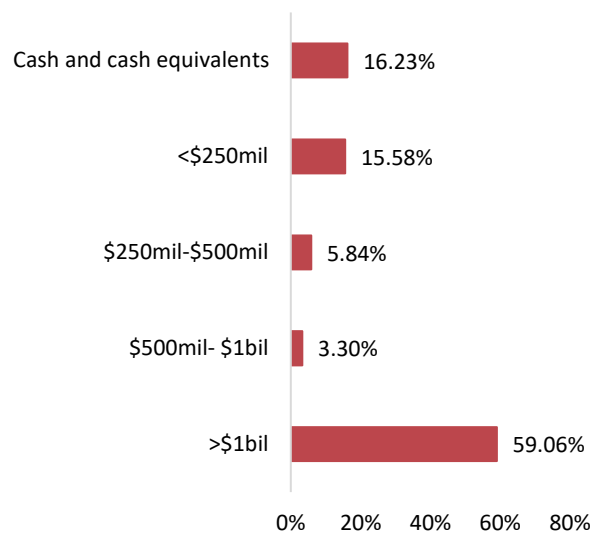
Fund statistics (12-months)

	SSI – SCA	VN-Index
Volatility (Std)	14.97%	14.53%
Sharpe Ratio	4.18%	1.34%
P/E Ratio TTM	13.93x	15.43x
P/B Ratio Current	2.11x	1.72x
Beta	0.85	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 (USD m)	P/E	Current P/B	ROE (%)
FPT	FPT Corporation	Information Technology	17.24%	7,487.3	28.1	1.2	27.4
MWG	Mobile World Investment Corporation	Consumer Discretionary	6.70%	3,584.5	87.2	3.6	4.3
ACB	Asia Commercial Bank	Financials	5.81%	4,176.3	6.7	1.4	23.0
HPG	Hoa Phat Group Joint Stock Company	Materials	4.00%	7,111.1	19.4	1.7	9.2
CTG	Vietnam Joint Stock Commercial Bank for Industry and Trade	Financials	3.67%	6,539.8	8.3	1.3	16.6

FUND PERFORMANCE COMMENTARY (cont.)

The SSI-SCA fund increased by 1.64% in Jun 2024, compared to -1.30% for the VN-Index. The top performers of the fund were SGP (+35.5%), FPT (+12.2%), LHG (+6.4%), BWE (+6.2%), (STB +3.4%) and MBB (+2.0%). The top laggards were DHC (-6.2%), VRE (-6.0%), NLG (-5.9%), TV2 (-3.8%), and DPR (-3.7%).

SCA's outperformance in Jun 2024 was mainly due to:

- We overweighted sectors outperforming the VN-Index, noticeably including (1) Information Technology sector driven by FPT (+12.2%), (2) Capital Goods sector driven by REE (+0.48%), VEA (+0.68%), (3) Transportation sector driven by SGP (+35.5%), (4) Real Estate sector driven by LHG (+6.4%), NTC (+1.0%), and (5) Utilities sector driven by BWE (+6.2%).
- We underweighted the Banking sector but still outperformed VN-Index by our allocation in STB (+3.4%) and MBB (+2.0%).
- We increased the cash ratio in June, compared to the ratio of previous month.

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

1. FPT (+2.0%): In 5M2024, FPT announced positive business results as revenue posted VND 23,916bn (+20.0% YoY) and NPAT post-MI posted VND 3,052bn (+21.0% YoY). Particularly, PBT of the Technology segment, Telecommunication segment, and Education, Investment & Others segments were up by +22.9% YoY, +15.3% YoY, and +19.3% YoY, respectively, leading FPT's consolidated PBT growth of +19.5% YoY and NPAT post-MI growth of +21.0% YoY in 5M2024.

FPT's newly signed revenue from Global IT Services reached VND 16,341bn (+17.2% YoY) in 5M2024. During the 5M2024, FPT continued to record numerous large orders from international markets. Specifically, FPT secured 26 large deals, each valued at over USD 5mn.

2. SGP (+0.3%): In 1Q2024, SGP posted revenue of VND 261bn (-20% YoY) and NPAT-MI of VND 49bn (+108% YoY). Seaport sector outlook for 2024-2025 is attributed to the recovery of Vietnam trade activities and the expectation of new container throughput inflows due to the congestion of Suez Canal routes.

3. BWE (+0.2%): In 1Q2024, BWE posted revenue of VND 792bn (+16% YoY) and NPAT-MI of VND 179bn (+27% YoY). For the accumulative 5M2024, BWE's revenue and NPAT reached VND 1,493bn and VND 270bn, respectively. The reported 5M2024 business results have not recognized VND 206bn in revenue from the wastewater treatment plant.

We expect BWE's outlook to be positive for the period of 2024-2025 due to (1) BWE's business model delivering solid profit growth, and (2) BWE's valuation having an attractive upside in the long term.

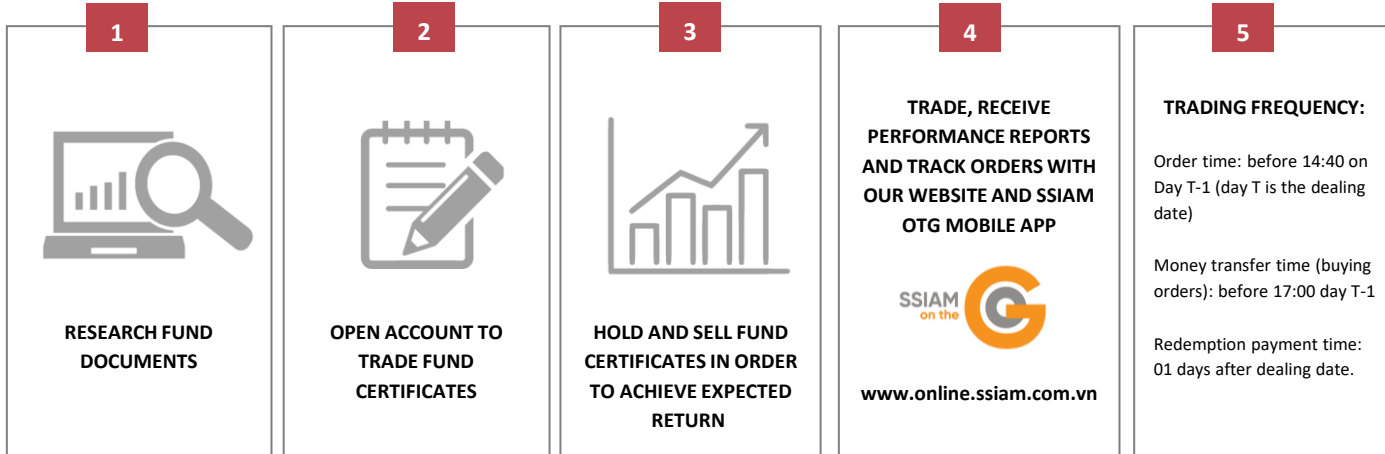
4. LHG (+0.16%): LHG's stock price was positive in Jun, driven by:

- The business results in 2024 will achieve high growth rate as we expect LHG will recognize IP land sales in the coming quarters, coupled with the earnings contribution from the ready-to-built factory expansion in 2024.
- The increase of Vietnam's newly registered & additional FDI value in 1H2024.

In 6M2024, the SCA fund increased by +27.0% compared to +10.2% for the VN-Index, delivering the excess return of +16.8%. At the end of Jun 2024, our top five holdings are FPT (17.2%), MWG (6.7%), ACB (5.8%), HPG (4.0%), and CTG (3.6%). Our top holdings contribute +15.4% to SCA's total return in 6M2024.



INVESTMENT PROCEDURE



TRADING OVERVIEW

Dealing date: Every Working Day (Day T)

Cut-off time: 14:40 on Day T-1

Trading confirmation: Day

Day T-1	Day T	Day T+1
14:40 – 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