

October 2019

### FUND PERFORMANCE

	NAV/Unit (VND)	Performance (%)			
		1 month	Year-to-date	Annual Average	Since Inception*
SSI-SCA	<b>18,993.06</b>	-1.47%	8.98%	13.41%	<b>89.93%</b>
VN-Index		0.23%	11.91%	10.33%	<b>65.10%</b>

Inception: 26 September 2014



### FUNDAMENTAL METRICS

P/E (12 months)	9.85x
P/B	1.90x
ROE	21.08%
Dividend Yield	2.13%

Source: Bloomberg, SSIAM

### FUND MANAGERS' COMMENT

End of October, the securities market closed and inched up 0.2% against month-over-month, despite majority of stocks' price in the market fell. Bank stocks, especially Vietcombank, were the main contributor to the market's gain in the month.

Top movers of VN-Index	Points
VCB	6.119
BID	1.208
VJC	1.165
CTG	0.932
HVN	0.585

Top laggards of VN-Index	Points
GAS	-1.583
MSN	-1.481
NVL	-1.179
VIC	-0.794
SAB	-0.591

Source: SSIAM, 01-31/10/2019

Macroeconomic data of the month were also released but no noteworthy change was seen. CPI is the indicator of our concern when the pork price increases relatively (+ 7.85% M/M), both education service and gasoline price are going higher. However, CPI only increased by 0.59% MoM and 2.6% Y/Y. Core inflation in October was up by 0.15% M/M and 1.99% Y/Y. In general, the domestic macroeconomic situation is still stable and there is plenty of room for the government's policy administration. If macro policy control is effective, the securities market will still be a good investment opportunity in the coming time. We still believe in a relatively positive scenario.

During the month, we take advantage of the market correction and increase the stock weighting to 93% at month-end, mainly buying PNJ and VHM shares into the top-ten holdings of the fund. These are also two stocks with better Q3's business results than we expected.



"Best Asset Management Company in Vietnam"  
2015, 2016, 2017, 2018



The Asset - "Fund Management Company of the Year (Onshore)"  
2015, 2016, 2017, 2018

## FUND MANAGERS' COMMENT (CONTINUED)

For PNJ:

- Same store sales growth (SSSG) of the company has a continuous improvement in July, August and September. Consumption market in Ho Chi Minh City and the Southeast returned to double-digit growth in August and September from a single-digit level in July. Negative SSSG in Q2 also returned to a double-digit growth in September. As a result, Q3 revenue and NPAT also increased by 25% Y/Y (Q2 - 8%) and 17% Y/Y (Q2 - 6%) respectively, although the business results in July and August were not positive.
- It is likely that the Q4 business results will continue to recover. The company with advantage of gold inventory at low cost is also a positive element.
- We need to track some more factors indeed. However, we think that the positive changes in operations is the initial factor for us to re-hold PNJ as the company meets the criteria of a leading enterprise in jewelry retail.

For VHM:

- The 3Q business results and better-than-expected sales. In the third quarter, new launches (including deposits) reached 26,900 units (up 2,142% Y/Y compared to 1,200 apartments in the same period last year). The value of revenue generated in the period (new bookings) reached VND35.7 trillion (+ 346% Y/Y), the unbilled bookings revenue reached VND82 trillion (+ 72% Y/Y). Revenue and profit after tax of VHM's parent company's shareholders in the third quarter were respectively VND15.5 trillion (+ 20% Y/Y) and VND5.5 trillion (+ 42% Y/Y). VHM is benefiting from the scarcity of new land bank. With the advantage of land bank and outstanding deployment capability, the company boosts the wholesale segment with high profits, helping increase unrealized revenue in order to make value later. It is likely that this policy continues to be effective in the coming quarters, helping VHM realize its net asset value, and this is the factor encouraging us to increase the weighting of this stock in the month.

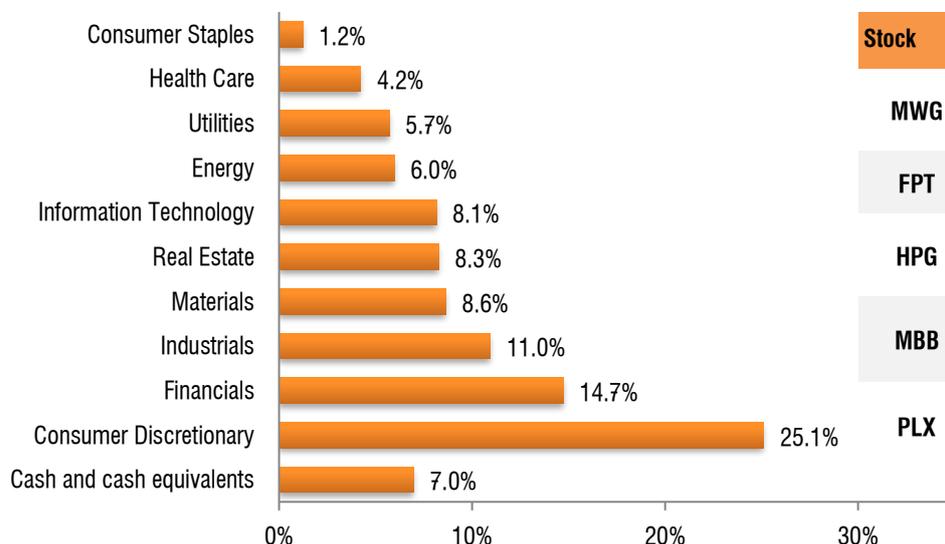
The business results of the majority of top-ten holding stocks in the Fund have reached our expectation. Beside VHM and PNJ, we also increased the proportion in FPT, TDM or PC1 but simply due to the price movement of these stocks rather than the changes in the fundamentals. The fund's strategy in the short term remains unchanged, focusing on leading businesses with good fundamentals, compelling valuation and benefiting from Vietnam's growth trend.

Top movers of SSI-SCA	%
ACV	0.11
ACB	0.09
VIT	0.08
NLG	0.05
PNJ	0.03

Top laggards of SSI-SCA	%
TDM	-1.29
PC1	-0.18
PHR	-0.15
VIB	-0.12
HPG	-0.08

Source: SSIAM, 01-31/10/2019

## ASSET ALLOCATION BY SECTORS (% NAV)



## TOP HOLDINGS AS OF 31/10/2019

Stock	Company Name	Sector	% NAV
MWG	Mobile World Investment Corporation	Consumer Discretionary	13.4%
FPT	FPT Corporation	Information Technology	8.1%
HPG	Hoa Phat Group Joint Stock Company	Materials	7.6%
MBB	Military Commercial Joint Stock Bank	Financials	7.5%
PLX	Viet Nam National Petroleum Group	Energy	4.0%



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## FUND FACTS

<b>Name of the Fund</b>	SSI Sustainable Competitive Advantage Fund
<b>Fund code</b>	SSI-SCA
<b>Nature of the Fund</b>	Open ended fund
<b>Inception date</b>	26/09/2014
<b>Fund operating period</b>	Unlimited
<b>Fund Management Company</b>	SSI Asset Management Co., Ltd. <a href="http://www.ssi.com.vn">www.ssi.com.vn</a>
<b>Supervisory Bank</b>	Standard Chartered Bank (Vietnam)
<b>Distributors</b>	SSIAM, SSI, BVSC, VCBS, ACBS, VNDIRECT, MBS, HSC, VGS
<b>Dealing date</b>	Daily (Day T)
<b>Cut-off time</b>	Before 15:00 pm on Day T-1
<b>Minimum subscription amount</b>	VND 2,000,000

## DISCLAIMER

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## INVESTMENT OBJECTIVES

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.

## FUND MANAGERS

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