

May 2020

FUND PERFORMANCE

	NAV/Unit (VND)	Performance (%)			
		1 month	Year-to-date	Annual Average	Since Inception*
SSI-SCA	16,649.02	6.44%	-8.06%	9.39%	66.49%
VN-Index		12.40%	-10.04%	6.48%	42.89%

Inception: 26 September 2014



FUNDAMENTAL METRICS

P/E (12 months)	9.05x
P/B	1.63x
ROE	20.14%
Dividend Yield	3.13%

Source: Bloomberg, SSIAM

FUND MANAGERS' COMMENT

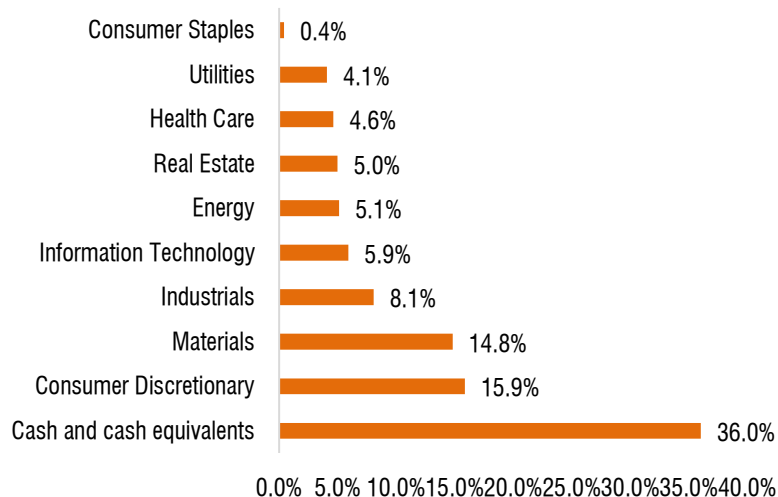
The market continued to recover in May as VN-Index increased by 12% within the month, recording a sharp recovery of over 30% after 2 months. The major contributors to this increase were the financial and real estate sectors, attributable to 50% to the growth of the whole market. After the social distancing measures implemented in April, Vietnam have not recorded any new cases of infection and thereby, allowed economic activities to resume – a factor which boosted investors' confidence and optimistic outlook for the market. Furthermore, we observed that inflows into ETFs and active participation of domestic investors have strengthened the market's recovery in May. The liquidity of the whole market continued to remain at a high level and even surpassed its previous peak set in 2018. The total liquidity of the three exchanges reached about USD225 mil (+27.6% in comparison to April 2020 and 62.5% YoY). From March to May, the total number of newly opened securities account amounted to more than 100,000 which exceeded the figure for the whole of 2019. Additionally, the two new ETFs on the market – VNFIN LEAD and VN Diamond have raised about USD33 mil of capital in May.

Although such recovery of the stock market did not surprise us, the sharp rebound of the financial sector indeed exceeded our expectation. Having reduced the portfolio's weight of this sector early was the main reason we significantly underperformed the Vietnam benchmark this month, gaining 6% in May. However, we believe that the current level of exposure to equity looks reasonable, given rising risks due to valuation and post-pandemic uncertainty. Short-term outlook of the stock market remains quite positive as the effect of cheap money and retail investors keeping pouring money into the stock market. However, in longer run, the ultimate impact of the pandemic on the economy, the after effect of the unprecedented stimulus policies as well as current level of valuation are factors that we are somewhat worried about. The current overall market valuation of about 15x amidst double digit decline in earnings in 2020 did make a lot of companies

FUND MANAGERS' COMMENT(CONTINUED)

relatively expensive, given their deterioration in fundamental. Therefore, we tend to reduce exposure to companies that are the most heavily affected by the Covid-19 event, while seeking to allocate to those that can maintain positive results in 2020-2022, strong cashflow and those who can sustain decent dividend yield.

ASSET ALLOCATION BY SECTORS (% NAV)



FUND FACTS

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

DISCLAIMER

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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' advices to make appropriate investment decisions.

TOP HOLDINGS AS OF 31/05/2020

Stock	Company Name	Sector	% NAV
HPG	Hoa Phat Group Joint Stock Company	Materials	6.8%
MWG	Mobile World Investment Corporation	Consumer Discretionary	6.6%
SVI	Bien Hoa Packaging Company	Materials	6.2%
FPT	FPT Corporation	Information Technology	5.9%
PHR	Phuoc Hoa Rubber Joint Stock Company	Consumer Discretionary	4.4%

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.

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