

August 2020

## FUND PERFORMANCE

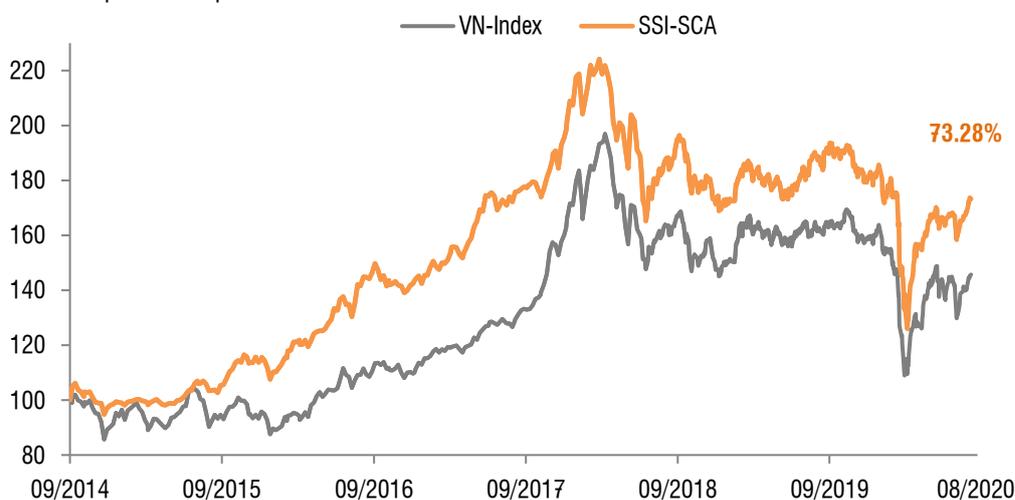
	NAV/Unit (VND)	Performance (%)			
		1 month	Year-to-date	Annual Average	Since Inception*
SSI-SCA	<b>17,328.45</b>	7.71%	-4.31%	12.35%	<b>73.28%</b>
VN-Index	881.65	10.43%	-8.26%	7.71%	<b>45.73%</b>

Inception: 26 September 2014

## FUNDAMENTAL METRICS

P/E (12 months)	10.12x
P/B	1.85x
ROE	20.52%
Dividend Yield	2.96%

Source: Bloomberg, SSIAM

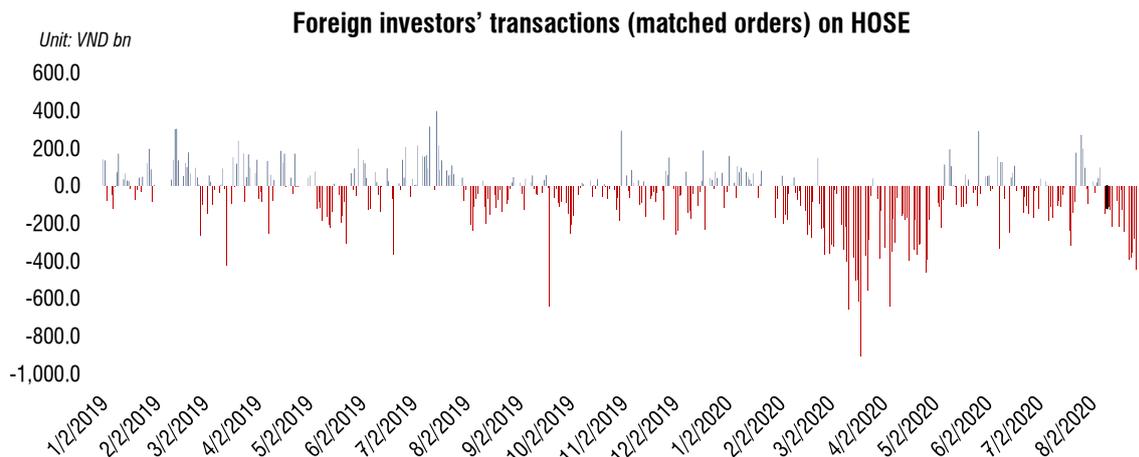


## FUND MANAGERS' COMMENT

After a month of outbreak, the second wave of COVID-19 was promptly contained, helping the stock market to recover quickly at the same pace as the global market. VN Index closed at 881.65 points in August, +10.2% MTD. Average liquidity reached VND4,345 bn VND per session, +13% in comparison to July. Additionally, the market recorded an overall increase since 48.3% of HSX's tickers closed above their peaks in June.

According to our observations, in spite of foreign investors' strong selling momentum, the market outlook is relatively positive, supported by robust cash inflows from domestic investors. In August, foreign investors sold a net amount of VND3,262 bn through matched orders on HOSE, bringing the total cumulative matched-order net sales to VND19.9 trillion in 2020. Foreign net sales mainly concentrated on blue-chips such as VHM, VIC, VRE, VCB, HPG, MSN, etc. However, it was balanced by the strong inflows from domestic investors which prevented those prices from declining significantly. In addition, domestic investors also focused on disbursing FOL blue chips, expecting the Diamond ETF to attract upcoming cash inflows. Total trading value (matched orders) of VNDiamond amounted to roughly VND14,500 bn in August- an 11% increase in comparison to the previous month. VNDiamond Index also reported an increase of 15%, outperforming the VN Index which proves its attractiveness to investors.

FUND MANAGERS' COMMENT



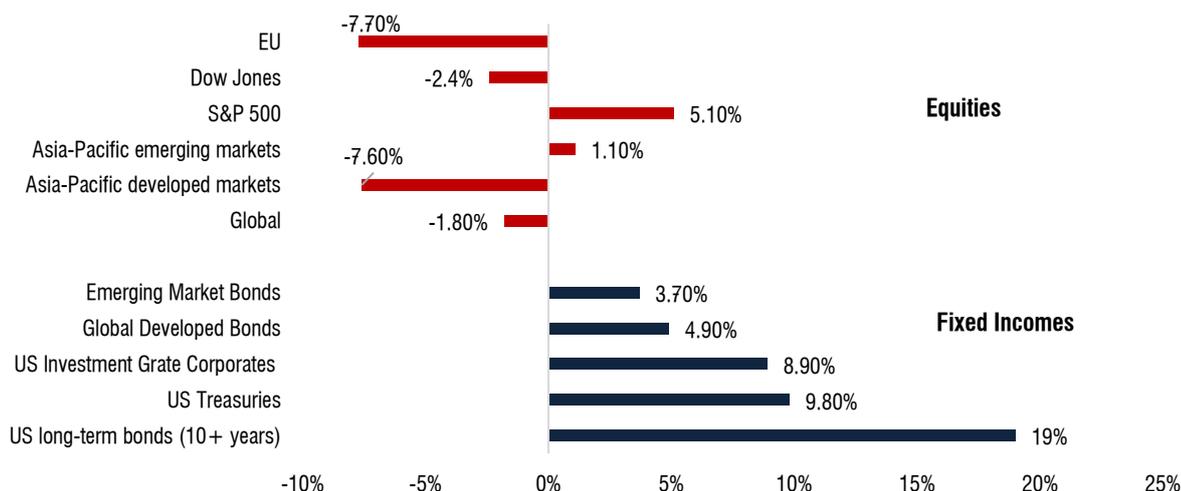
Sources: Bloomberg

Regarding the macro outlook, public investment continues to be in the spotlight during the pandemic. Realized investment capital is estimated at VND47.4 trillion in August, +45.4% YoY – the highest growth within the last 4 years. Total cumulative public investment (YTD) amounted to VND288 trillion, +30.4% YoY which helped to offset the decline in disbursed FDI (down by VND33 trillion, -12.8% YoY). However, other macroeconomic indicators still showed signs of slow recovery in August. Specifically, total retail sales in August reached VND422.9 trillion, -2.7% MoM and +1.9% YoY. PMI index stood at 45.7, marking the second consecutive month that the index fell below the 50-benchmark. The index of industrial production (IIP) was reported at 152.4, a decrease of 0.6% YoY. In general, due to the negative impact of COVID-19 second wave, the pessimism of macro indicators was foreseen in August. Following the successful disease control, we expected the macro data to improve in September and 4Q2020. Overall, Vietnam still maintains a healthy macro environment with positive GDP growth, low inflation rate (CPI < 4%), stable exchange rate, strong trade surplus and foreign exchange reserves.

In August, the SSI-SCA fund saw a return of 7.71% thanks to several top holdings with remarkable growth such as MWG (+25%), FPT (+13.6%), and PHR (+12%). The return for 8M2020 stood at -4.31%, consistently outperforming VN Index (8.26%). We believe that monetary expansion is still the main factor supporting the current global stock market; however, it is crucial to evaluate the post-pandemic recovery prospect and business earnings.

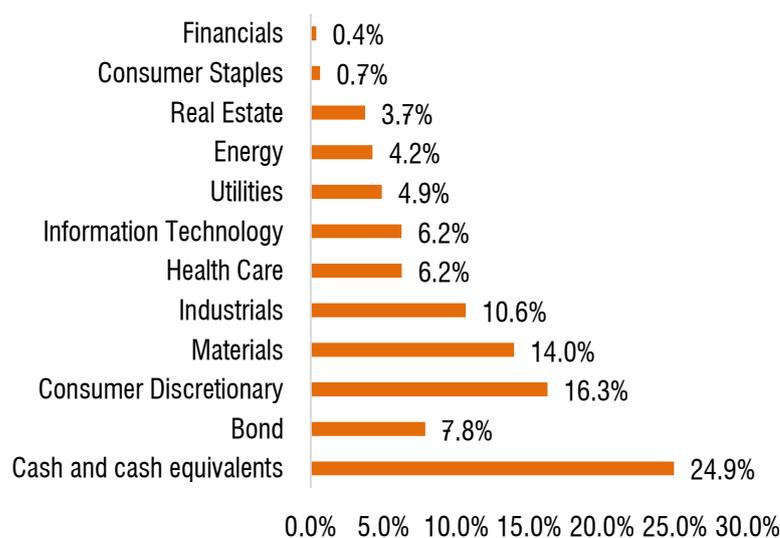
To balance risks and returns, the equity proportion is kept at 70% of NAV, focusing on industries that benefitted from macroeconomic conditions or experienced a strong recovery following the successful containment of Covid-19. The fixed income portfolio is targeted at 13% of NAV. From the beginning of this year, fixed income allocation remains a global trend and has higher returns than equity class. The remaining 15-17% of cash will be allocated to targets that have strong financial positions and competitive advantages to increase business earnings under difficult economic conditions.

The returns of equities and fixed incomes, year to 04/09



Sources: Bloomberg

## ASSET ALLOCATION BY SECTORS (% NAV)



## 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

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## TOP HOLDINGS AS OF 31/08/2020

Stock	Company Name	Sector	% NAV
MWG	Mobile World Investment Corporation	Consumer Discretionary	7.5%
HPG	Hoa Phat Group Joint Stock Company	Materials	7.4%
FPT	FPT Corporation	Information Technology	6.2%
PHR	Phuoc Hoa Rubber Joint Stock Company	Consumer Discretionary	4.9%
SVI	Bien Hoa Packaging Company	Materials	4.9%

## 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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