

November 2020

FUND PERFORMANCE

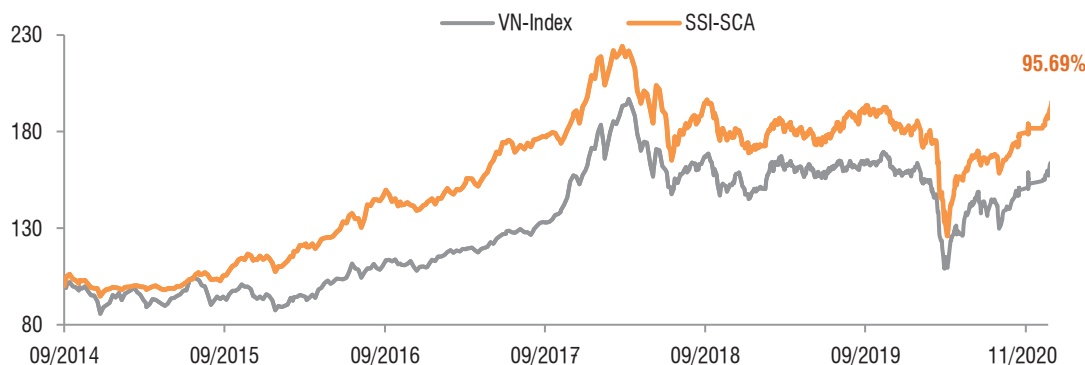
	NAV/Unit (VND)	Performance (%)			
		1 month	Year-to-date	Annual Average	Since Inception*
SSI-SCA	19,568.95	7.68%	8.07%	11.47%	95.69%
VN-Index	925.47	8.39%	4.38%	8.52%	65.80%

Inception: 26 September 2014

FUNDAMENTAL METRICS

P/E (12 months)	11.37x
P/B	1.99x
ROE	19.41%
Dividend Yield	2.63%

Source: Bloomberg, SSIAM

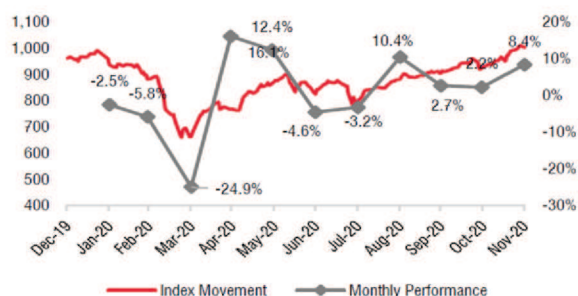


FUND MANAGERS' COMMENT

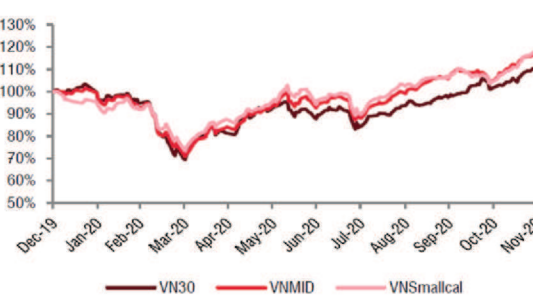
The portfolio increased 7.7% in Nov while the VN-Index gained 8.4%. Cumulatively first 11 months of 2020, the portfolio outperforms with 8.06% vs. 4.4% of its benchmark.

Vietnam stock market in Nov was supported by the news that global pharmaceutical companies announced their high efficiency of Covid-19 vaccine testing and expected to put the first doses into use from early next year. After the correction took place in the last week of Oct, the VN Index moved smoothly in Nov with strong gains during the month, a strong psychological resistance of 1,000 points was broken on Nov 26 and the index closed the month at 1,003.08 points, an increase of 77.61 points (+8.4% MTD). The market moved in consensus when the VN30, VN Midcap and VN Smallcap indexes all recorded growth of 8.2%, 12% and 12.8% in the month. Thus, for the first 11 months of 2020, Vietnam's stock market has achieved positive growth in all indexes: VN Index (+4.4%), VN30 (+9.9%), VN Midcap (+17.1%) and VN Smallcap (+17.6%). Other neighboring market indices have enjoyed a good month, but also showed decreases on a YTD basis, including SET in Thailand (+17.4% MoM, -10.9% YTD), JCI in Indonesia (+9.4% MoM, -10.9% YTD) and PCOMP in the Philippines (+7.4% MoM, -13.1% YTD).

VN Index performance YTD (+4.38%)



VN30, VN Midcap, VN Small cap performance YTD



Sources: Bloomberg, SSI

FUND MANAGERS' COMMENT

Gains were registered by all sectors, led by materials, utilities, and diversified financials. The materials industry (+14.4%) was led by HPG (+16%). The utility sector increased by 14.3%, mainly powered by GAS (+19%). Securities stocks, including SSI (+13%), HCM (+17%) and VCI (+13%), were the top contributors to the 12.8% increase in the diversified financial sector.

After a strong growth of 22.3% MoM in Oct, the market liquidity continued to remain high despite the slowdown in pace. The average 1-day trading value in Nov for all 3 exchanges reached USD439 million, up 3.5% MoM and 93.8% YoY. On average, in the first 11 months of the year, trading value reached USD295 million per session, up 41% YoY. Particularly on HOSE, the average trading value through matching order reached an average of USD377 million/session, the highest in many recent years.

For the 2nd consecutive month, net foreign outflows but at slower pace. In Nov, foreign investors net sold USD122 million following net selling of USD322 million in Oct. The outflow in Nov took total net outflows to USD688 million in 11M2020 vs. net inflows of USD347 million in 11M2019. MSN (USD62.3 million), HPG (USD47.3 million) and HDB (USD42.8 million) are top contributors. FUEVFNVD, on the other hand, attracted the highest net foreign inflow of USD28.1 million, followed by some other large-cap stocks like VJC, VRE, VCB. In 11M2020, stronger net foreign outflows were reported by regional markets, including Thailand's SET (USD8.4 billion), Indonesia's JCI (USD2.9 billion) and the Philippines' PCOMP (USD2.3 billion).

ETF fund flow also turned positive in Nov. After ETFs were slightly net withdrawn in Oct, fund flow returned in Nov and was more positive towards the end of the month. A total ETF inflow was about USD19 million, mainly concentrated in VFM VN30 ETF (USD4.6 million), VFM VNDiamond ETF (USD4.3 million) and FTSE Vietnam ETF (USD2.9 million). Since the beginning of the year, ETFs have net inflow of USD82.3 million.

Per our observation, the capital is generally outflowed the Vietnam stock market in first half of Nov, but inflowed in the second half of the month. This positive signal was not appearing in other ASEAN markets, suggesting that the Vietnamese market is more attractive thanks to effective disease control and positive economic growth.

VNIndex was trading at P/E TTM of 16.4x at the end of Nov, far below regional peers, including SET (Thailand) 26.9x, JCI (Indonesia) 26x, PCOMP (Philippines) 27x, FBMKLCI (Malaysia) 24.6x.

Our view

The US presidential election is almost finished and the transition process to Biden Administration is being taken place. The investors generally expect more stable business environment globally and money to flow to emerging and developing markets given more relaxing fiscal policy under Democrat term and the devaluation of USD. Moreover, the vaccine's progress has enabled investors to be more optimistic about the prospect of economic recovery.

The Vietnam stock market has rallied consecutively from August to November and recorded a staggering recovery from the 2020 low. We see the upside momentum for the market remaining for the last month of the year thanks to the macro numbers in November continued to recover steadily and the positive signal was quite clear from capital inflows into stocks. Retail investor sentiment remained extremely strong, as evidenced by historical high liquidity as well as record level of new share trading accounts opened during the month (41,080 new accounts, up 13% MoM, being the highest monthly level since Dec 2017).

New local retail accounts by month



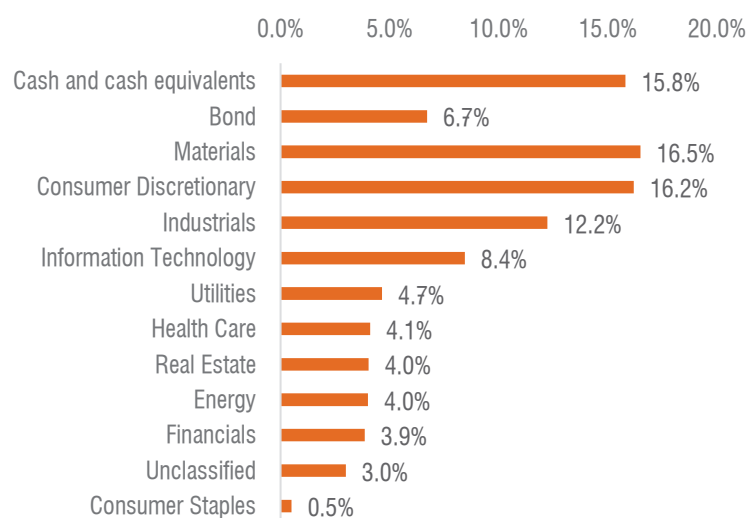
Sources: VSD, SSI

FUND MANAGERS' COMMENT

Although we are optimistic about the market's uptrend, we also note the risk of new Covid-19 infections in the HCM city and the probability of technical corrections when the VN Index approaches 1,030 points that is the highest level formed from the end of 2018 and the whole 2019.

We gradually increased the portion of equity in the last few months starting from April to capture uptrend of the market and will continue to search for companies that have gained market share in 2020, those with solid business outlook and reasonable valuation.

ASSET ALLOCATION BY SECTORS (% NAV)



TOP HOLDINGS AS OF 30/11/2020

Stock	Company Name	Sector	% NAV
HPG	Hoa Phat Group Joint Stock Company	Materials	9.15%
FPT	FPT Corporation	Information Technology	8.44%
MWG	Mobile World Investment Corporation	Consumer Discretionary	7.94%
SVI	Bien Hoa Packaging Company	Materials	5.36%
TDM	Thu Dau Mot Water Joint Stock Company	Utilities	4.52%

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

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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