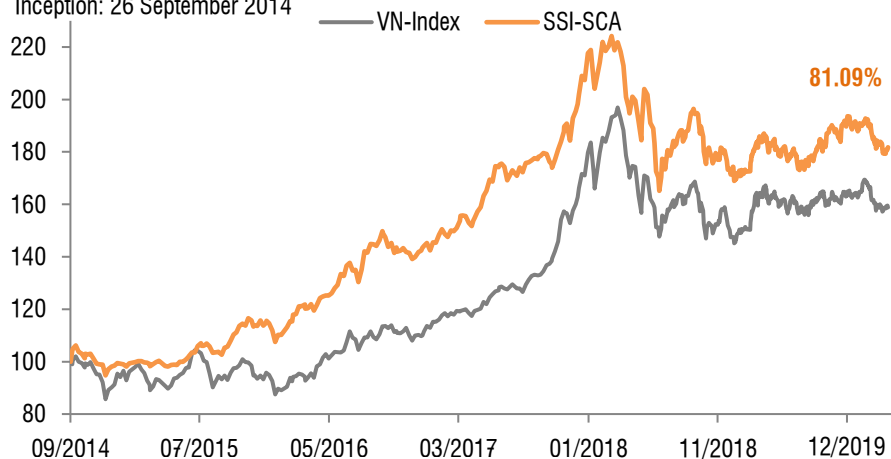


December 2019

FUND PERFORMANCE

	NAV/Unit (VND)	Performance (%)			
		1 month	Year-to-date	Annual Average	Since Inception*
SSI-SCA	18,109.47	-1.50%	3.91%	11.94%	81.09%
VN-Index		-1.01%	7.67%	9.19%	58.85%

Inception: 26 September 2014



FUNDAMENTAL METRICS

P/E (12 months)	9.25x
P/B	1.78x
ROE	20.82%
Dividend Yield	2.82%

Source: Bloomberg, SSIAM

FUND MANAGERS' COMMENT

The VN-Index was unexpectedly weak in the month of December, falling 1% despite the positive economic backdrop. 2019 reading came out somewhat positively as well as indication of stable, well managed 2020 economic pictures as shown in the table below:

Indicator	Unit	2014	2015	2016	2017	2018	2019F	2020 Government Targets
Real GDP growth	% yoy	6.0	6.7	6.2	6.8	7.1	7.0	6.8
Export growth	% yoy	13.8	8.1	9.0	21.1	13.2	8.1	8.0
Import growth	% yoy	12.0	12.1	5.6	20.8	11.1	7.0	n/a
Trade balance	USD bn	2.0	-3.2	2.7	2.7	7.4	9.9	> -2.5
FDI disbursement	USD bn	12.4	14.5	15.8	17.5	19.1	20.4	n/a
Average CPI	% yoy	4.1	0.7	2.7	3.5	3.5	2.8	< 4.0
FX reserve	USD bn	34.2	28.3	39.0	52.0	57.5	79.0	n/a
Credit growth	% yoy	14.2	17.3	18.7	18.2	13.3	12.1	14.0
Change in VND/USD	% yoy	1.4	5.1	1.2	-0.3	2.1	0.4	n/a
Public debt	% GDP	58.0	61.0	63.7	61.4	58.4	56.1	54.3

Sources: General Statistics Office, SSIAM



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FUND MANAGERS' COMMENT (CONTINUED)

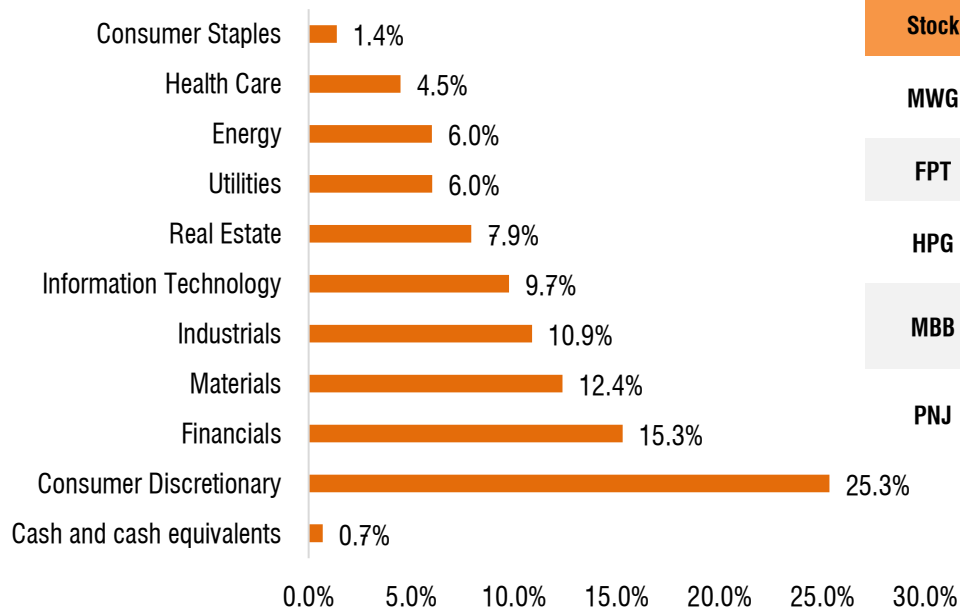
In December, the market was also impacted by poor sentiment of investors following basis trading in November as well a seasonal foreign investors selling. There was no significant bad news.

The fund's top weights including MWG, HPG, FPT and PNJ yielded positive returns in the month. HPG was one of the few large caps bucking the trend after it hosted an impressive visit to its new USD2.5 bn facilities in Dung Quat. The first blast furnace is running smoothly while the second blast furnace which was launched for testing on November 25, 2019 is already running at 80-90% capacity. As new capacity is coming on stream, HPG continued delivering a 34.7% surge in sales volume in December, bringing YTD 2019 volume to over 2.7 mn tons (+16.8% yoy vs industry level of 5.1%).

We all expect most of our top 10 to deliver decent 4Q results in the forth-quarter coming earnings season. One exception is PHR which fell 27% in December as its conversion of rubber plantation area to industrial park might be delayed. Just a reminder that PHR plans to handover over 1,000 ha to VSIP and Nam Tan Uyen in 2019 and 2020. The company recorded ~ VND300 bn (~USD12.5 mn) in 3Q19 as land compensation income in 3Q19. The stock detracted over 1.6% of our return in December. The stock recovered some ground by the time we prepared this report although there is not yet any official confirmation at company level. In the base case, we are leaning towards a mere delay of the handover which should not affect the company's long run valuation.

The Vietnam story remains intact in 2020 although value investing has been losing ground against passive investing in the past few years. The increase in market capitalization has been outpacing earnings growth most of the time in the past few years which might be attributable to better performance of large caps stock price performance against their earnings growth, leaving an abundant number of more bargain value stocks. Over the long term, we believe stock prices will catch up with this growth and value which is the key strategy of the Fund to strive for high quality company with strong growth potential at reasonable prices.

ASSET ALLOCATION BY SECTORS (% NAV)



TOP HOLDINGS AS OF 31/12/2019

Stock	Company Name	Sector	% NAV
MWG	Mobile World Investment Corporation	Consumer Discretionary	13.3%
FPT	FPT Corporation	Information Technology	9.7%
HPG	Hoa Phat Group Joint Stock Company	Materials	9.2%
MBB	Military Commercial Joint Stock Bank	Financials	6.6%
PNJ	Phu Nhuan Jewelry Joint Stock Company	Consumer Discretionary	4.5%



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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.ssi.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

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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.

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