

March 2020

## FUND PERFORMANCE

	NAV/Unit (VND)	Performance (%)			
		1 month	3 months	Year-to-date	Since Inception*
SSI-SCA	<b>12,610.33</b>	-27.61%	-30.36%	-30.36%	<b>26.10%</b>
VN-Index		-24.90%	-31.06%	-31.06%	<b>9.51%</b>

Inception: 26 September 2014



## FUND MANAGERS' COMMENT

We have just experienced the most volatile March in the history of the fund. The VN-Index fell 25%, almost all the stocks witnessed a similar decline of about 25-30%, and particularly, retail stocks seemed to have a greater decrease of more than 40% in just one month. Foreign investors' selling pressure was heavy this month, the figure hit more than USD400 million YTD. In our opinion, several offshore fund facing liquidity problems, coupled with wild volatility causing compliance pressure to reduce exposure were mainly attributable to such sell off, not just in equity market but in fixed income and gold. In the last days of March and early April, with the commitment of pumping liquidity into markets of many central banks, the selling pressure of foreign investors on the stock market has shown the sign of cooling, which is one of a few positive factors on the domestic market during this period.

Investors' sentiment was pessimistic following flooding Covid news appeared on social media. However, in our opinion, Vietnam is taking reasonable and effective measures to control the pandemic. Hopefully, we will prevent the disease successfully soon and have effective stimulus packages to boost the economy after the pandemic is over.

Fundamentals and valuation seem to be irrelevant during such panic yet we would like to point out that the Vietnam stock market was traded at ~10x earnings as of the end of March which is similar to 2012 level. We also observe many stocks appear to be attractively cheap especially ones in utilities sector and those that have strong balance sheet and gain market share after this shock.

Business performances will generally be affected from March; hence, in the base case that the pandemic is successfully controlled and the peak falls into the second quarter, investors are likely to witness worse earnings in 2Q20 and hopefully

## FUNDAMENTAL METRICS

P/E (12 months)	6.29x
P/B	1.14x
ROE	19.83%
Dividend Yield	4.00%

Source: Bloomberg, SSIAM

## FUND MANAGERS' COMMENT(CONTINUED)

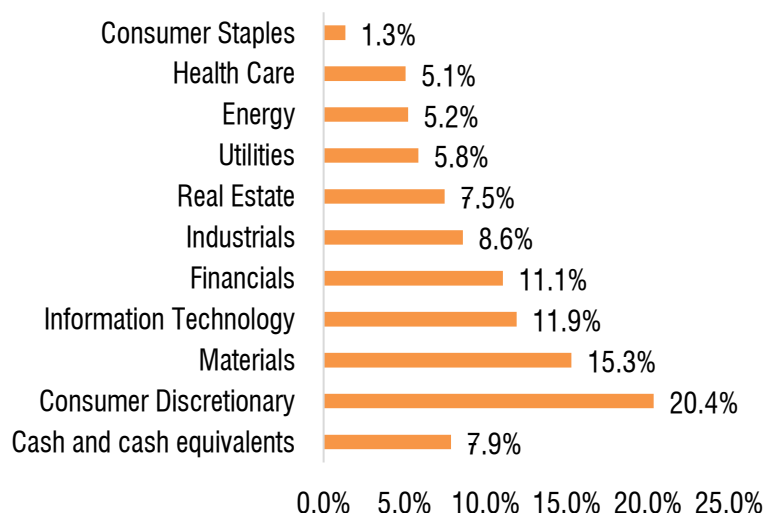
also the worst in 2020. In reality, investors normally perceive more pessimistic estimates than the actual corporate performances in the time like this.

Normally, after the period of strong volatility of the market, in which most stocks tend to be correlated mostly due to sentiment, there will be a more divergence followed as investors would price stocks with more rational and fundamental approach. We believe unexpected economic difficulties will also be the opportunities for some enterprises, and these will be the ones showing divergence to the whole market and be the ones to recover strongly after the pandemic is over which is what investors can recover and even gain after every crisis. Such companies will have their value appreciated as compared to pre- crisis level.

Leading companies with strong balance sheet despite facing difficulties in short term and the fact that business results can be affected in Q2 and Q3, we believe these enterprises will be the ones to gain market share thanks to their competitive advantages and endurance during hard time. In fact, most of the investments of the fund are allocated into such companies; therefore, we reasonably expect decent recovery of the fund after the storm is weathered.

Other opportunities would come from defensive plays with cheap valuation and decent dividend yield. During this time, we spotted out and increased allocation to these companies which are capable to pay 7-15% yield sustainably. Besides, there are some pharmaceutical enterprises which got caught up in the sell off despite business operation being merely impacted.

## 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.ssiam.com.vn">www.ssiam.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

## TOP HOLDINGS AS OF 31/03/2020

Stock	Company Name	Sector	% NAV
FPT	FPT Corporation	Information Technology	11.9%
MWG	Mobile World Investment Corporation	Consumer Discretionary	11.4%
HPG	Hoa Phat Group Joint Stock Company	Materials	10.7%
ACB	Asia Commercial Bank	Financials	4.4%
VHM	Vinhomes JSC	Real Estate	4.0%

## 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

**Nguyen Duc Minh**  
Portfolio Manager  
E: [minhnd@ssi.com.vn](mailto:minhnd@ssi.com.vn)

**Nguyen Ba Huy**  
Associate Portfolio Manager  
E: [huynb@ssi.com.vn](mailto:huynb@ssi.com.vn)

## DISCLAIMER

---

*This document is issued by SSI Asset Management Co., Ltd. (SSIAM). Expressions of opinion contained herein are only for references and are subject to change without notice. This document is neither a Prospectus nor an offer or any commitment of SSIAM. SSIAM does not have any obligation to update, revise this document in any form in the case the opinions, forecasts and estimations in this document changes or becomes inaccurate.*

*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.*