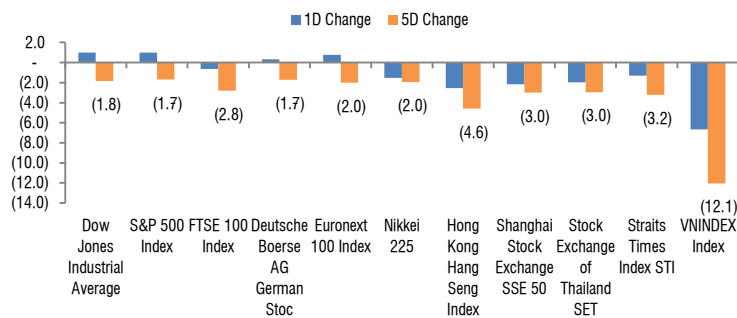
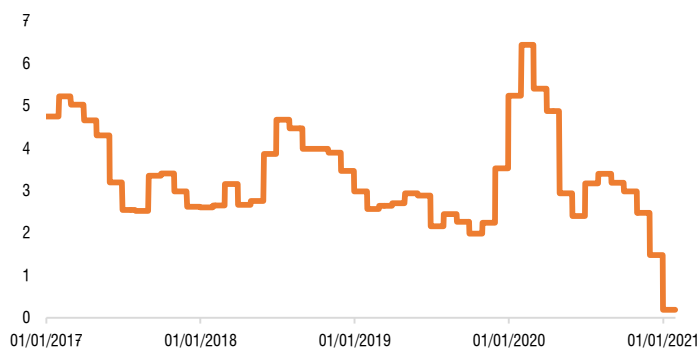


MACROECONOMICS

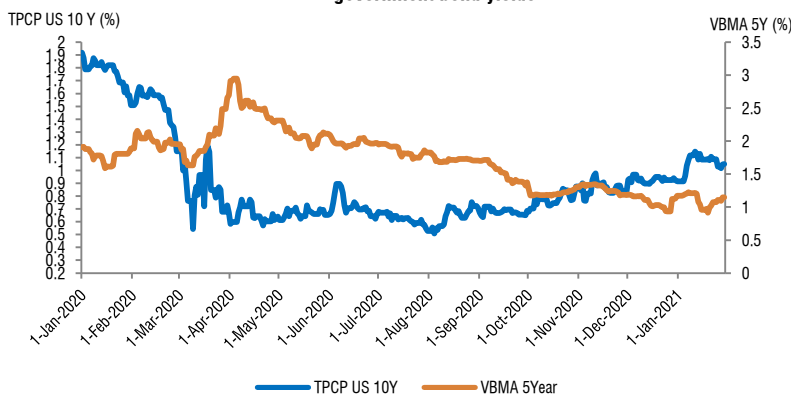
Global Indices



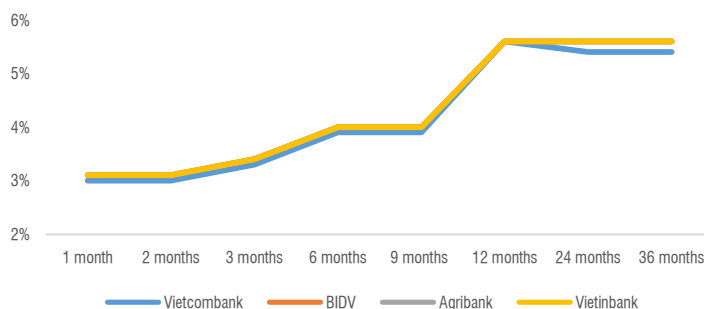
CPI MoM



10-year US government bond vs 5-year Vietnamese government bond yields



Deposit rates



The market saw a sharp decline from the first session in 1 day, reflecting many negative information that has circulated around:

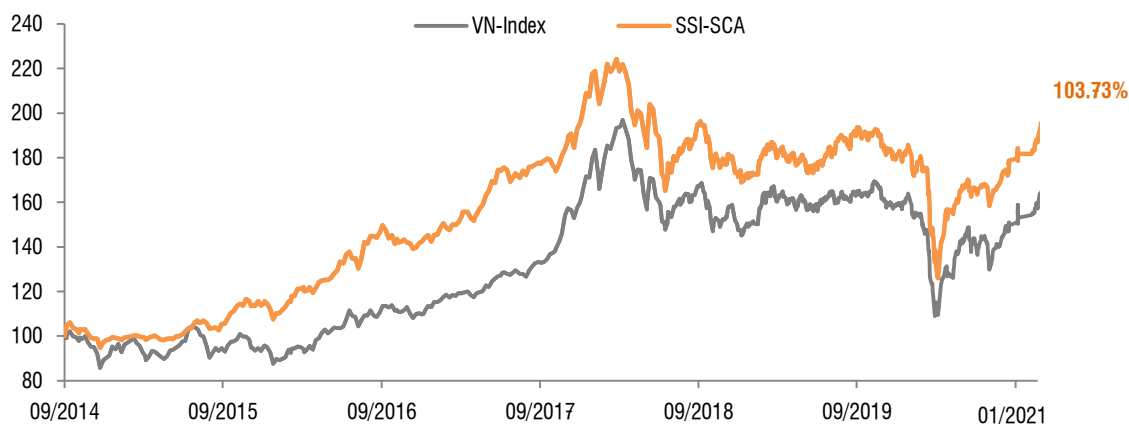
- (1) Two cases which tested positive for COVID-19 from Hai Duong and Quang Ninh are raising concerns about another outbreak. Currently, the government is tracing and ordering F1, F2 and F3 contacts of those 2 cases to quarantine. Although, there have been several cases of infections in the past year, the new cases appear to carry the new strain which spreads on a larger scale, worsening the investors' sentiment. However, we observe that the Government is taking measures to identify the infectious zones and is coming with a plan within the next 10 days to control the outbreak. Therefore, similar to the previous outbreaks, we hope that the nation will successfully curb the pandemic once again.
- (2) Heavy selling pressures took place, causing a chain effect of margin unwinding in securities companies when many stocks fell by 20-30% from the peak. Securities companies are also cautious and halted margin provision to the market. As we are approaching the Lunar New Year, more investors will want to withdraw money out of the market to limit volatility (if any) during the holiday. This is a recurring development on the Vietnamese stock market every year. Historical statistics have shown that the market has a high probability of correction before Tet and will gain the growth momentum once more after Tet.
- (3) In terms of market valuation since March 2020, the market experienced uptrend continuously by 84% to reach the peak of 1,194 points with support from retail investors, along with P/E 2020 of 18.06x. Although this is a lower valuation range than the historical level of 21.6x in March 2018, it is still higher than the 5-year and 10-year average valuations. However, with the recent correction, the market has returned to a much more attractive valuation range, namely P/E 2020 of 16.3x and P/E 2021 of 13-14x. Accordingly, companies that the fund would want to purchase in the past have come to a valuation area that is attractive enough for purchase.

We believe that the prospects for the Vietnamese market in the medium and long term are very bright with macro stability, robust growth in comparison to other markets, and cheap capital inflows. In addition, we forecast profit growth to increase by 24% YoY. In the short run, the “black swan” phenomena occur which worsens the correction than expected. The number of cases is likely to increase further in the coming days but in parallel, the Government is determined to stop the outbreak in 10 days. Thus, it is difficult to expect the market to regain balance and rebound immediately again. However, with a long-term investment outlook, we believe that the corrected market is an opportunity to increase equity holdings, especially those with solid fundamentals at a reasonable valuation. Previously, high market valuations meant SCA maintained a relatively large cash holding accounting for more than 10% of its portfolio. As the market began to move towards the 1000+/- range, the fund is gradually disbursing.

NAV as of 28th Jan

NAV/Unit		% WoW	Profit		
			% MTD	% YTD	Since inception
20,373.10	SSI-SCA	-8.94%	-5.13%	-5.14%	103.73%
	VN-Index	-12.05%	-7.24%	-7.24%	69.25%

* Fund inception dated 26 Sep 2014



TOP HOLDINGS

TICKER	% NAV	TICKER	% NAV
HPG	12.90%	TDM	4.09%
MWG	12.69%	IMP	3.93%
FPT	11.60%	VTP	3.75%
TCB	5.26%	MBB	3.64%
VHM	4.49%	PLX	3.51%

PERFORMANCE INDICATORS

	SSI-SCA	VN-INDEX
P/E (12 month)	11.66x	16.44x
P/B	2.05x	2.18x
ROE	19.16%	13.81%
Yield	3.19%	1.61%

Source: Bloomberg, SSIAM

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