

SSI SUSTAINABLE COMPETITIVE ADVANTAGE FUND

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Hanoi, 18 March 2020

**REPORT ON OPERATIONAL RESULT IN 2019 AND INVESTMENT STRATEGY IN 2020
OF SSI SUSTAINABLE COMPETITIVE ADVANTAGE FUND (SSI-SCA)**

I. FUND PERFORMANCE IN 2019

Vietnam's stock market started in 2019 with many positive developments. Cash flows into index funds in Q1/2019 helped VN-Index increase more than 17% from 860-870 points in early January 2019 to over 1,000 points in mid-March 2019. After this period, the market turned sideways, moved in a narrow band, peaked in November 2019 and ended 2019 with an increase of 7.67%

The increase of VN-Index focused on some large-cap stocks. VCB stocks contributed 41 points, 3 stocks of VinGroup contributed 37 points out of the 68-point increase of the VN-Index. Stocks of three large banks (VCB, BID and MBB) also contributed 58 points to VN-Index during the year.

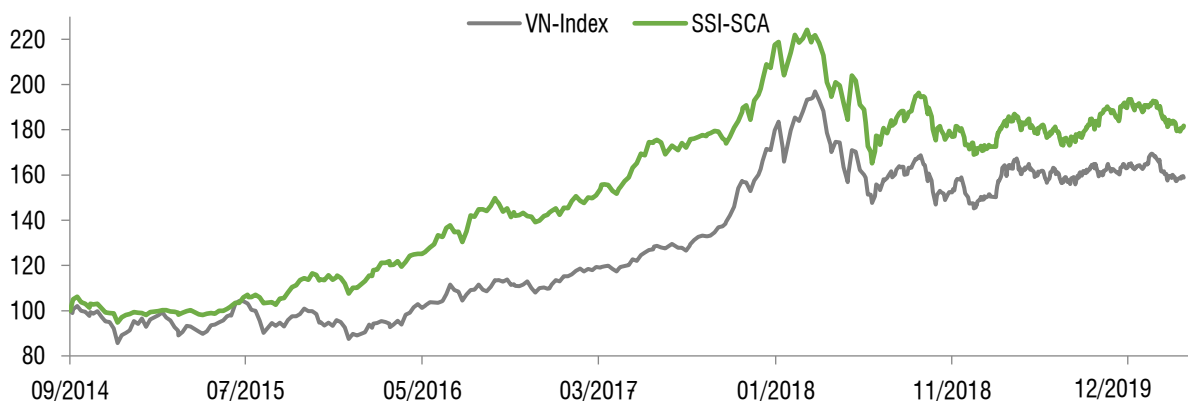
Profit growth of companies in the market reached 21% in the fourth quarter of 2019 and 14% for the whole year. However, this growth was mainly contributed by VHM stocks and banking ones with the growth rates of 168% and 43% respectively. While 3 stocks of VinGroup (VHM, VRE and VIC) grew by 73.3% and banking ones in general increased by 40% in the fourth quarter of 2019 and 29% for the whole year, the remaining stocks in the market only increased modestly by one digit number. This data also shows the divergence of business results and the growth of stock prices throughout the period.

FUND PERFORMANCE

CHANGE OF NET ASSET VALUE

	NAV/Unit (VND)	Growth (%)		
		2019	Annual in Average	Since Inception*
SSI-SCA	18,109.47	3.91%	11.94%	81.09%
VN-Index		7.67%	9.19%	58.85%

* Inception date: 26/09/2014



GENERAL VALIDATION OF THE FUND

Fund metrics

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

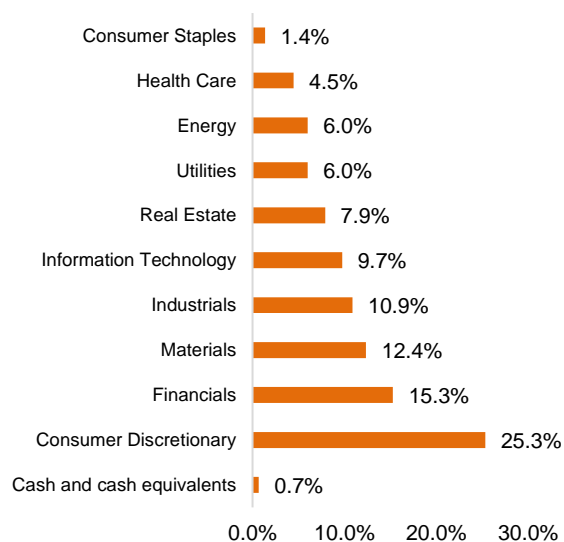
Source: Bloomberg, SSIAM

Operation indicators

Indicators	As at 31/12/2019	As at 31/12/2018	Growth rate (%)
NAV (VND)	429,857,988,851	429,736,794,707	0.03%
Total fund units	23,736,629.11	24,657,440.05	-3.73%
NAV/Fund unit (VND)	18,109.47	17,428.28	3.91%

ASSET ALLOCATION AS AT 31/12/2019

ASSET ALLOCATION BY SECTOR (%NAV)



TOP HOLDING 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%

Source: SSIAM

II. INVESTMENT STRATEGY FOR THE YEAR 2019

At the time of reporting, the stock market is experiencing many negative fluctuations due to the impact of Corona Virus on the economy and enterprises in the short term. However, if the epidemic is well controlled and does not cause disruption, then when the fear is over, the impact of the disease on long-term growth is not too great. In the short term, enterprises and the economy may be affected in two to three quarters. In the medium term, remedial policies to regulate the economy will be a driving force for growth. Therefore, it is also possible to expect the positive impact of these stimulus policies if effectively applied. 2020 will also be a year of new products, especially index funds (ETFs), which attract a lot

of attention from investors, especially foreign investors. This is also another positive factor for the market. However, the cash flow will focus on a certain number of stocks in the basket of these indices, not spreading out in all stocks. Vietnam's economy is in a period of stable growth, we believe that the stock market still has room for growth in size, quality, liquidity and products. From a standpoint, we are still consistent with the strategy of investing in businesses that have the advantages and benefits from the development of the economy.

SSI ASSET MANAGEMENT COMPANY LIMITED