

SSIAM VNX50 ETF



FACTSHEET – October 2021

GENERAL INFORMATION

FUND NAME	SSIAM VNX50 ETF
BENCHMARK INDEX	VNX50 Index
STOCK EXCHANGE	HoChiMinh City Stock Exchange (HSX)
TICKER	FUESSV50
BLOOMBERG TICKER	FUESSV50 VN EQUITY
INCEPTION	17 November 2014
FUND SIZE	VND302.89 billion (~USD13.17 million)
CURRENCY	VND
FUND MANAGER	SSI Asset Management (SSIAM)
MANAGEMENT FEE	0.65%
OUTSTANDING FUND UNITS	13,500,000

FUND DATA

NUMBER OF HOLDINGS	50
PRICE/EARNINGS RATIO	15.62x
PRICE/BOOK RATIO	2.92x

Source: Bloomberg, SSIAM; data as of 31 Oct 2021

FUND PERFORMANCE



FUND DESCRIPTION

SSIAM VNX50 ETF seeks to replicate performance of VNX50 Index.

The fund is a passively managed fund. The objective of the fund is low cost replication of the VNX50 - an index created and sponsored by Ho Chi Minh Stock Exchange, adjusted for liquidity, free float, State Security Commission Trading regulations. The fund is exempted from FOL due to its local status, gives investors full access to other restricted stocks. The fund does not try to outperform the index or use defensive positions when Vietnam stock market declines.

SSIAM VNX50 ETF is formerly SSIAM HNX30 ETF, which was established in 2014. From inception until 22nd August 2017, the fund tracked HNX30 index, which comprised of top 30 stocks listed in Hanoi Stock Exchange. From 23rd August 2017, the fund rebalanced portfolio to track VNX50 index and renamed to SSIAM VNX50 ETF. The fund is currently listed in Ho Chi Minh City Stock Exchange under ticker FUESSV50.

BENCHMARK INDEX – VNX50 INDEX

VNX50 Index comprises of 50 listed stocks in both Ho Chi Minh City Stock Exchange and Hanoi Stock Exchange. The index consists of 50 top ranking stocks in terms of market capitalization, liquidity and free float ratio in the VNX Allshare basket of stocks. Index constituents' weight are capped at 10% within the index. The base date of VNX50 Index is July 21st, 2017 with base Index value of closing value of VNX Allshare as of July 21st, 2017.

The index is reviewed every 6 months.

VNX50 represents 71.4% of the Vietnam total market capitalization.

	Growth (%)							
	2017	2018	2019	2020	1 month	3 months	YTD 2021	Since inception (17/11/2014)
ETF SSIAM VNX50	60.4%	-7.1%	6.04%	22.95%	5.52%	7.01%	44.03%	124.37%
VNX50*	71.4%	-9.5%	5.88%	23.14%	6.02%	7.68%	45.91%	127.33%

Data calculated in VND as of 31 Oct 2021

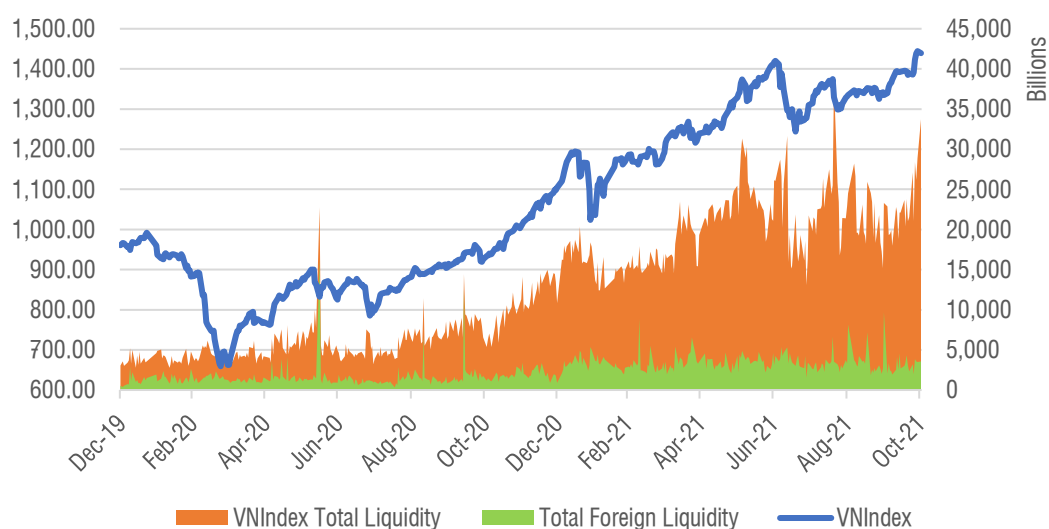
(* From 17th Nov 2014 to 22nd August 2017, benchmark index was HNX30 index. After 22nd August 2017, benchmark index was VNX50. The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal values will fluctuate, so investors' share, when sold, may be worth more or less than their original cost.

MARKET UPDATES – OVERALL PERFORMANCE

October saw a strong rally – VN Index ended the month at a record high of 1,444 (+7.68% for the month), after breaking the psychological resistance of 1400. Index performance is mainly driven by Small Cap and Mid Cap (+16.5% and +9.5% respectively), while large cap fell behind (+5.4%). All sectors of the economy saw a positive performance in October: Utilities (+21.7% mom), Industrials (+12.9%), Real Estate (+11.1%), and Materials (+9.9%) lead the Index, while Financials (+3.1%) and Consumers (+5.4%) slightly lagged behind.

Generally, the market is trading on upbeat investors’ sentiment as economic activities are back in motion. After a period of strict social distancing policies, a new normal life, albeit not quite like before, has brought a fresh new wave of optimism. Both Hanoi and Ho Chi Minh city, as well as major economic and industrial hubs reopened to life, this coupling with covid case counts appearing within control and the pace of vaccination provide a strong support for the equity market.

VNIndex & Total Liquidity (VND)



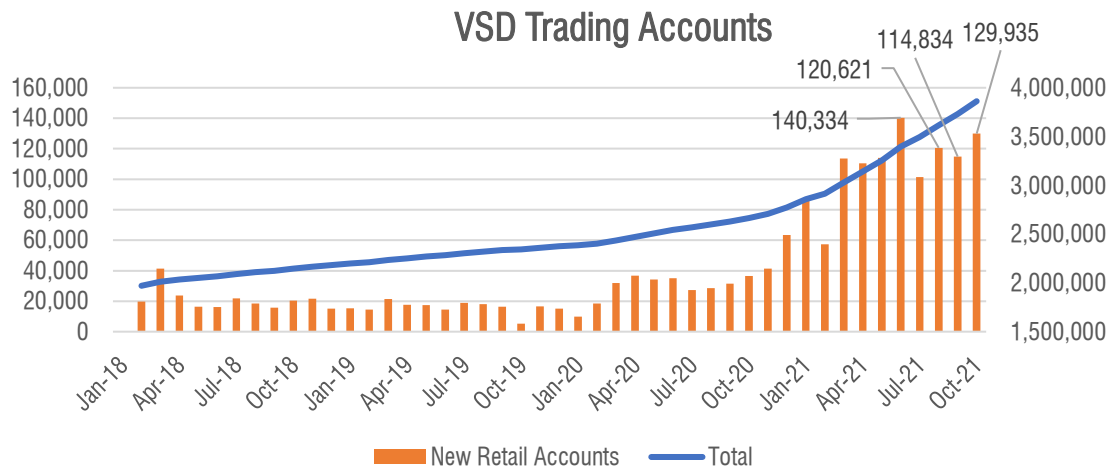
(Source: HOSE, SSIAM)

	1M		3M		YTD		1Y	
	Total Return (%)	Contribution %	Total Return (%)	Contribution %	Total Return (%)	Contribution %	Total Return (%)	Contribution %
VNIndex	7.68		10.59		32.07		58.22	
Financials	3.13	1.00	0.91	0.16	31.49	10.64	66.95	20.89
Real Estate	11.08	2.52	8.41	2.06	29.35	7.31	44.04	11.42
Consumer Discretionary	5.40	0.17	18.24	0.51	55.57	1.41	80.92	2.08
Consumer Staples	3.77	0.42	8.74	0.99	5.06	0.54	12.49	1.93
Information Technology	3.39	0.07	8.56	0.17	94.28	1.28	128.36	1.69
Materials	9.98	1.12	25.83	2.62	70.46	5.88	153.94	10.60
Industrials	12.93	0.98	28.25	1.95	34.59	2.58	65.48	4.84
Health Care	1.03	0.01	8.14	0.06	13.65	0.12	23.08	0.22
Utilities	21.73	1.20	34.34	1.79	36.60	2.07	68.04	3.95
Communication Services	11.37	0.01	48.49	0.03	43.86	0.02	53.64	0.03
Energy	7.04	0.13	13.98	0.25	13.12	0.28	29.53	0.68
Not Classified	13.88	0.04	32.91	0.09	34.33	0.09	59.70	0.14

(Source: Bloomberg, SSIAM)

Liquidity

Liquidity remains elevated - on average, 22.5 trillion VND worth of securities changed hands each trading day in October (appx. equivalent to USD 980mm). Foreign investors activities continued to play less of an influential role in the market, taking up only 14.8% of total liquidity. Vibrant liquidity is mainly driven by continued uptrends in retail participation - there was 130k new securities trading accounts opened at brokerage firms in October, the second highest in history. This brought the total new accounts figure in the first 10 months of '21 to 1.09m, more than that of the past 4 years combined (2017, 2018, 2019, and 2020 total new accounts opened stood at 1.02m). However, it's probably worth noting again that the total number of securities trading accounts stands at only 3.8m, less than 4% of the total population – hence we are confident that this exponential growth trend will continue with ripple effect.



(Source: VSD, SSIAM)

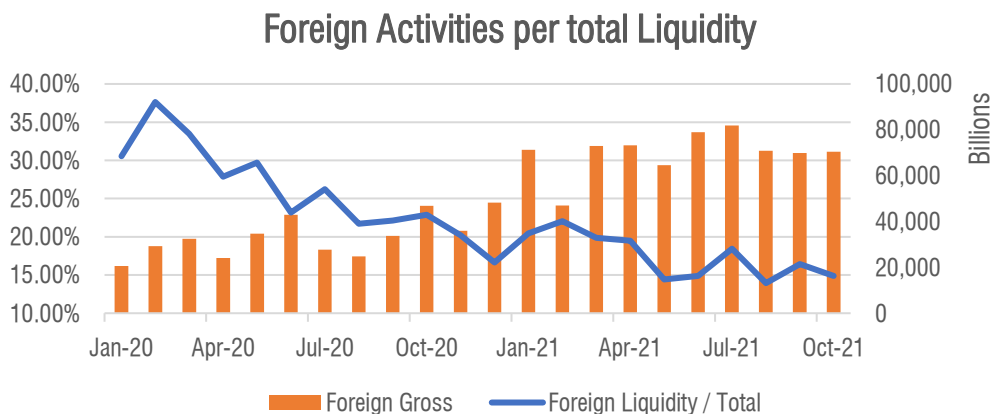
Foreign activities

Foreign investors continued selling in October, aggregating VND -5.3 trillion (appx. \$225mm). Among the foreign funds that we could track, Korean funds continued their selling activities as detailed in previous month’s reports, fueling by tax incentives. On the other hand, Principal Fund of Thailand saw the highest inflow at \$31mm in October – of which, a large allocation was put into SSIAM VNFin Lead ETF. Thailand’s Bualuang successfully IPO’ed a Vietnam-focused fund with total AUM at \$55mm to be deployed in the coming weeks.

Top 10 Inflow in Oct:

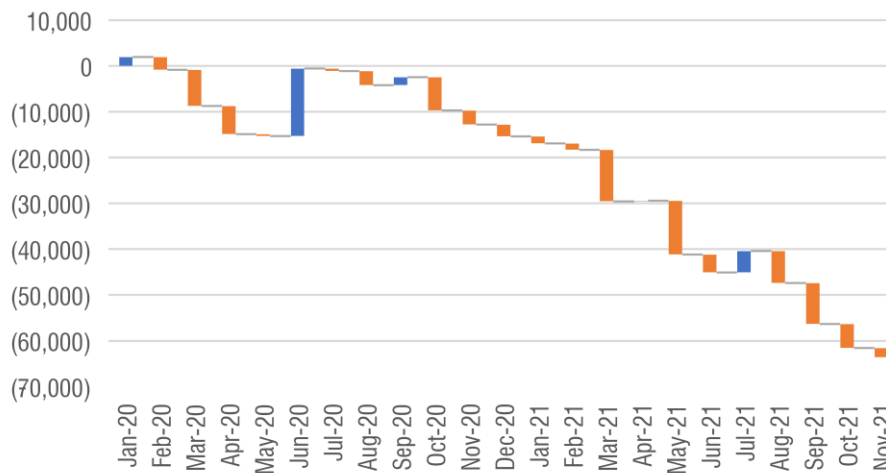
Ticker	Name	Flow (Mn)	AUM (Mn)	% of AUM
CPVNEQA TB	Principal Vietnam Equity Fund	31.55	179.2	17.6%
E1VFN30 VN	DCVFMVN30 ETF Fund	23.34	444.5	5.2%
AB311171 JP	Vietnam Lotus Fund/Fivestar	12.49	57.5	21.7%
FUESSVFL VN	SSIAM VNFIN LEAD ETF	8.53	115.7	7.4%
12311217 JP	East Asia Vietnam Equity Fund	6.29	55.1	11.4%
1CB9531 KS	Mirae Asset Vietnam High Divid	5.87	9.3	63.3%
1CA7130 KS	Mirae Asset Vietnam High Divid	5.57	9.3	60.0%
KVIETNE TB	K Vietnam Equity Fund	5.48	145.1	3.8%
5C35453 KS	Samsung Vietnam Securities Fee	1.20	18.8	6.4%
9804 HK	Premia MSCI Vietnam ETF	0.52	28.7	1.8%

(Source: SSIAM)



(Source: HOSE, SSIAM)

Foreign Flows



(Source: HOSE, SSIAM)

MARKET UPDATES – MACRO

Oct macro data show a marginally better prints than Sep, although this is most likely still lagging behind the grand reopening of the economy. We think there are still some room for macro data to recover for 2021.

Notably, retail sales increased 18.1% mom, particularly driven by services (+44.1%) – this is a softer rebound than expected (still at -28.5% yoy) as services are only gradually and conditionally opened in each local municipality, but we are confident the figure will continue to improve as Lunar New Year is fast approaching.

Investment has not recovered for both public and FDI, but YTD realized FDI is only -9% yoy and we think that there is still time to catch up. Industrial IIP shows a -1.6% yoy in Oct, a significant improvement compared to -7.5% in Sep as factories are ramping up but have not reached full production capacity yet. Electronics components production rose by 13.1% yoy, and communication equipment production growth up 2.5% in Oct – this is partially offset by flat 0.4% growth in labor intensive manufacturing such as apparels. It’s important to note here that we think concerns about labors shortage at factories are overstated – for the most parts, workers have been returning. In addition, we think that there are opportunities for factories to make up for lost days by working overtime and not implementing the Lunar New Year shutdown for a few weeks like previous years. Although the exact plan is still pending vaccination progress, we are optimistic that lost production time will be around 4-6 weeks rather than 3 months like previously discussed in the markets, particularly for smaller and more agile factories – for bigger factories, a pay increase provided a great incentive.

International trades have improved significantly in Oct – exports were up 0.3% yoy driven by elevated oil prices, while imports growth was solid at 8.1% yoy, bringing a total surplus up to \$1.1 bln (vs. \$0.4 bln in Sep).

Covid-19

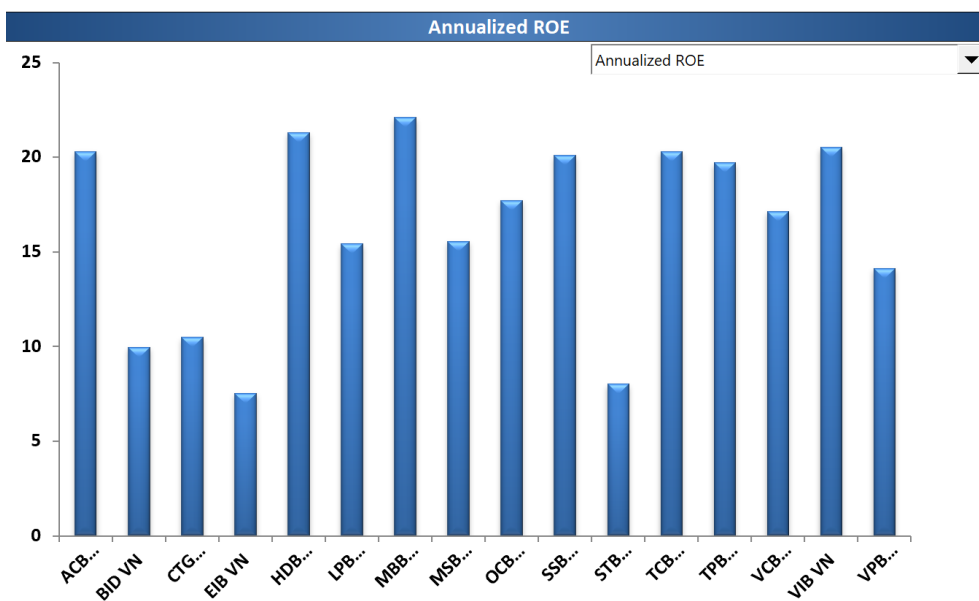
Daily covid case counts have dropped significantly, now hovering around 4-5k cases/day (much lower than 15k/day at peak) despite mobility improving significantly in Oct. Vaccination rate on average at 1 million doses administrated/day has now fully covered about 23% of total population, and 55.5% received at least one dose at end-October. Overall pace is on target for mass immunity at 70% of population fully vaccinated by end of Q1’22. Vaccination imports continue to be on good pace, providing a solid foundation for a robust recovery.

MARKET UPDATES – FINANCIALS

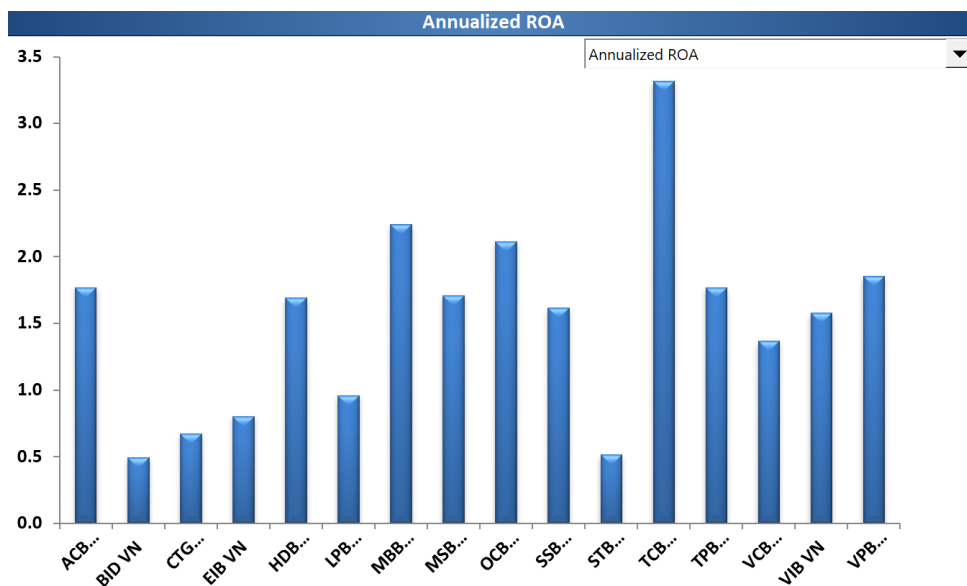
Vietnam banks have published Q3 earnings, which for the most part have been in line with what we noted last month – the [second waltz](#)'s first act was with Financial Sector recovering by 3.13% in Oct, contributing 1 percentage point in 7.68% aggregate monthly return of VN Index. A few highlights:

- ROEs and ROAs remain high across banks in VNFin Lead, further supporting sustained premiums on P/B multiples vs. regional peers
- NIMs have not shown signs of deteriorations due to various policy support by SBV, particularly on credit growth expansion and interests on deposits
- NPLs are within expected range and under control, partially due to pre-provision requirement being among the highest in the region, providing a solid buffer to navigate headwinds

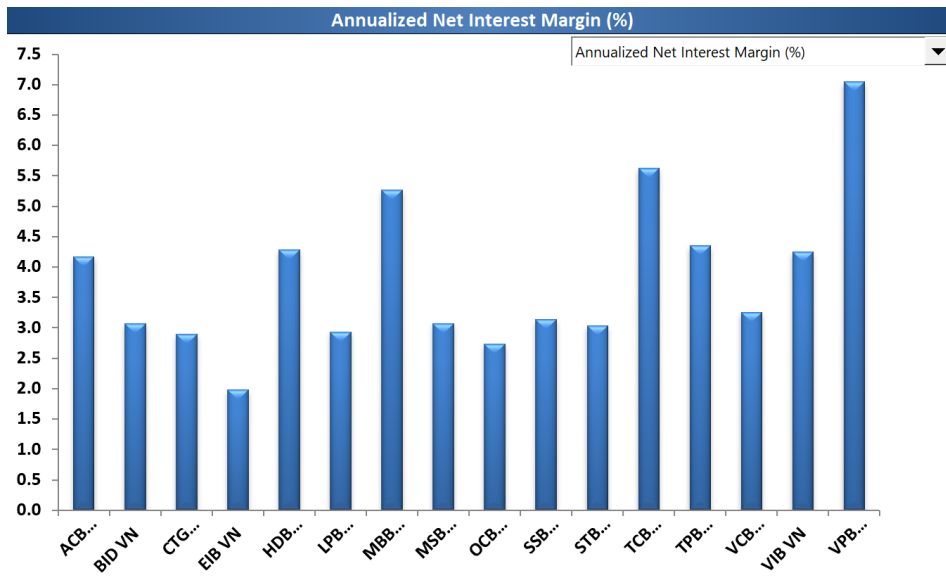
In addition, brokerage firms continue to leverage on excessive liquidity and retail activities in the market – Fin Lead's members are market leaders and will be able to capitalize on this opportunity to benefit bottom lines.



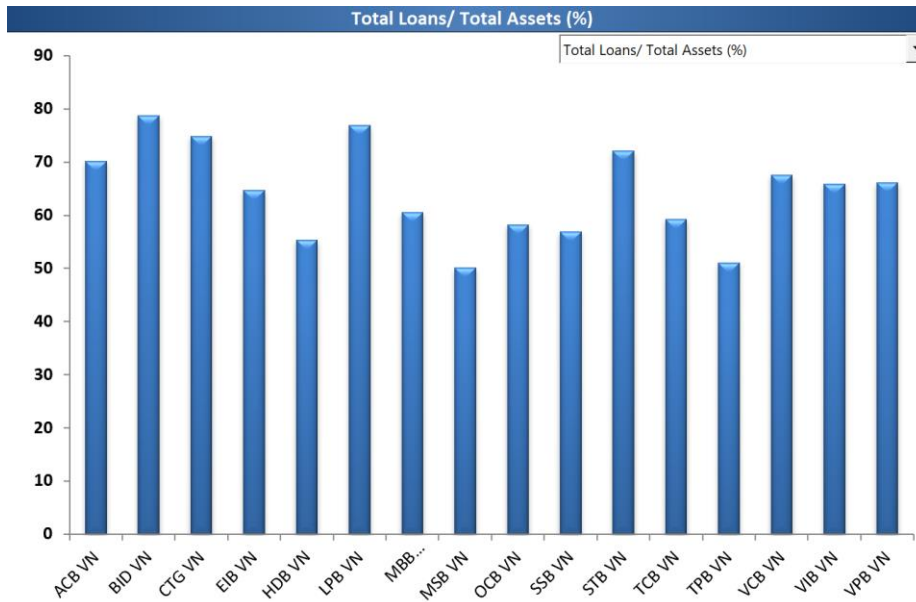
(Source: Bloomberg)



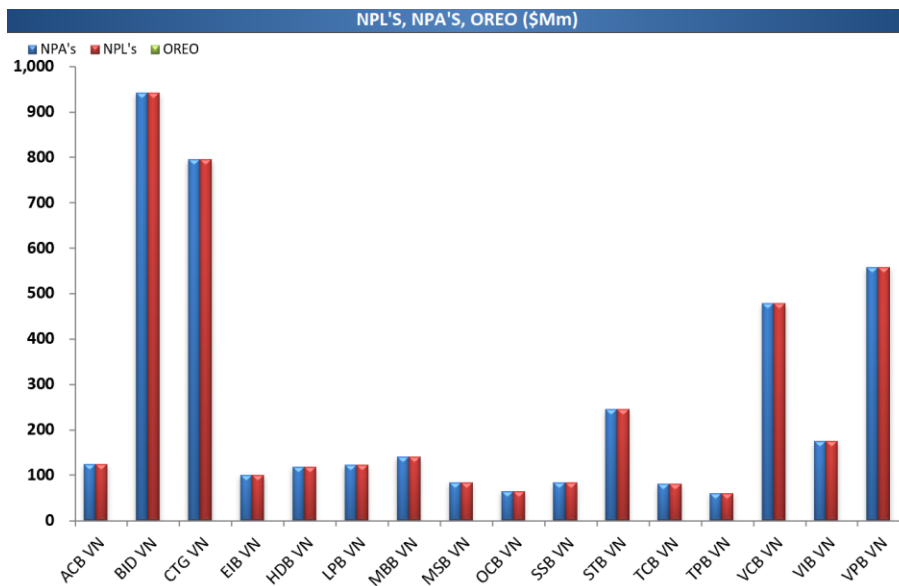
(Source: Bloomberg)



(Source: Bloomberg)



(Source: Bloomberg)



(Source: Bloomberg)

MARKET UPDATES – VN30

In October, and going well into the first fortnight of Nov, there's been a lot of discussion of liquidity flowing to mid and small caps. In fact, small cap performance was the driver of VN Index in Oct, while large caps lagged behind. As my friend William S.' wisely noted many moons ago, "all that glitters is not gold", we would caution investors that proper risk management is not all about absolute short-term return but it should be done on risk-adjusted basis, taking into account implied volatility and optimization of ex-ante Sharpe. Vibrant market environment is not only a cause for celebration, but also be an early sign of a double-edged sword. At this level, we believe that VN30 is a value play with better long-term outlook, especially since established companies with large balance sheets and track records would be better at cost control and maintain healthy NPAT margin in challenging conditions, thus provide a haven for safety in risk scenarios. As market continues to test all time high levels going into Q4, value picks and prudent risk management should be in the back of every investor's mind.

With all that said, I would like to end this month's note with an [Anthem](#) for us all to match into Q4:

Ring the bells that still can ring

Forget your perfect offering

There is a crack in everything

That's how the light gets in

The birds they sang at the break of day

"Start again", I seem to hear them say

Don't dwell on what has passed away

Or what is yet to be

Ah, the wars, they will be fought again

The holy dove, she will be caught again

Bought and sold and bought again

The dove is never free

Ring the bells that still can ring

Forget your perfect offering

There is a crack, a crack in everything

That's how the light gets in.

- Leonard Cohen

FUND COMMENTARY

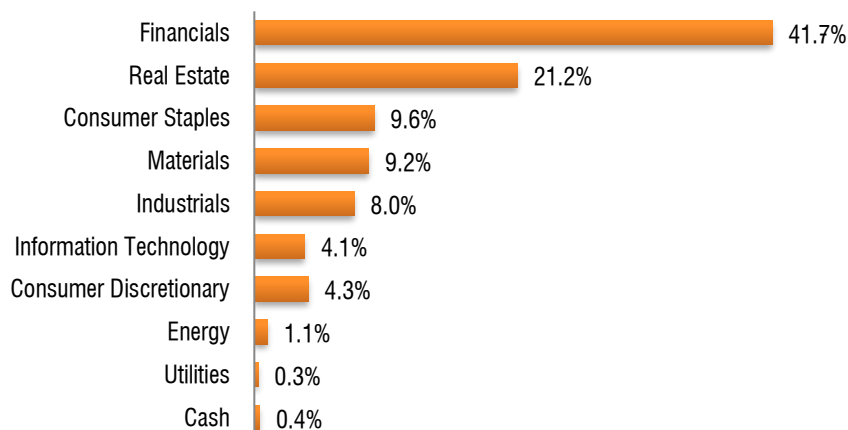
October statistics highlights:

- In October 2021, VNX50 Index increased 6.02%, improving YTD return to 44.96%.
- During the same period, SSIAM VN50 ETF recorded an increase of +5.52%, with YTD return increased to 44.03%.
- In October, fund did not see any subscription or redemption. Total AUM on Oct 31 is at VND 302.89 bln (appx. \$13.17mm)
- Secondary market liquidity was subdued - fund traded total of 601,000 certificates, averaging 28,619 per session, a decrease of -38% MoM.

October fundamental risk metrics highlights:

	Trailing P/E	Forward P/E	P/B	Div Yield	ROE	Beta vs. VNI	Sharpe
VNI	16.9x	13.7x	2.7x	1.21%	15.91%	1.00	3.05
VN 30	14.8x	12.3x	3.0x	0.70%	20.24%	1.00	3.59
VN 50	15.3x	12.4x	2.9x	0.72%	18.74%	1.01	3.74
VN Finlead	11.2x	9.2x	2.0x	0.20%	18.50%	1.29	3.54

SECTOR ALLOCATION (% NAV)



FUND HOLDINGS (% NAV)

No.	Ticker	Company name	% NAV	No.	Ticker	Company name	% NAV
1	HPG	Hoa Phat Group Joint Stock Company	7.6%	26	KDH	Khang Dien House Trading and Investment	1.2%
2	VIC	Vingroup Joint Stock Company	6.9%	27	LPB	Lien Viet Post JSC Bank	1.1%
3	TCB	Vietnam Technological and Commercial Joint Stock Bank	6.4%	28	OCB	Orient Commercial Joint Stock Bank	1.1%
4	VHM	Vinhomes JSC	6.0%	29	PNJ	Phu Nhuan Jewelry Joint Stock Company	1.0%
5	VPB	Vietnam Prosperity Joint Stock Commercial Bank	6.0%	30	HSG	Hoa Sen Group	1.0%
6	VNM	Viet Nam Dairy Products Joint Stock Company	4.1%	31	PDR	Phat Dat Real Estate Development Corp	1.0%
7	ACB	Asia Commercial Bank	4.1%	32	KBC	Kinh Bac City Development Holding Corporation	0.9%
8	FPT	FPT Corporation	4.1%	33	IDC	IDICO Corp JSC	0.9%
9	MSN	MaSan Group Corporation	3.8%	34	VCI	Viet Capital Securities Joint Stock Company	0.8%
10	THD	Thaiholdings JSC	3.3%	35	GEX	Viet Nam Electrical Equipment Joint Stock Corporation	0.8%
11	MWG	Mobile World Investment Corporation	3.3%	36	DGC	Duc Giang Chemicals and Detergant powder JSC	0.7%
12	MBB	Military Commercial Joint Stock Bank	3.2%	37	GMD	Gemadept Corporation	0.7%
13	NVL	No Va Land Investment Group Corporation	3.1%	38	NLG	Nam Long Investment Corporation	0.5%
14	SHB	Saigon Hanoi Commercial Joint Stock Bank	2.6%	39	KDC	KIDO Group Corporation	0.4%
15	STB	Sai Gon Thuong Tin Commercial Joint Stock Bank	2.6%	40	PVS	PetroVietnam Technical Services Corporation	0.4%
16	VCB	Joint Stock Commercial Bank For Foreign Trade Of Viet Nam	2.2%	41	TCH	Hoang Huy Investment Financial Services Joint Stock Company	0.4%
17	SSB	Southeast Asia Commercial Joint Stock Bank	2.0%	42	PLX	Viet Nam National Petroleum Group	0.4%
18	VJC	Vietjet Aviation Joint Stock Company	1.9%	43	POW	PetroVietnam Power Corporation	0.3%
19	HDB	Ho Chi Minh City Development Joint Stock Commercial Bank	1.9%	44	PVD	Petrovietnam Drilling & Well Service Corporation	0.3%
20	TPB	Tien Phong Commercial Joint Stock Bank	1.7%	45	SBT	Thanh Thanh Cong Tay Ninh Joint Stock Company	0.3%
21	VRE	Vincom Retail Joint Stock Company	1.5%	46	APH	An Phat Holdings JSC	0.3%
22	SSI	Saigon Securities Incorporation	1.4%	47	BVH	Bao Viet Holdings	0.3%
23	VIB	Vietnam International Commercial Joint Stock Bank	1.4%	48	VHC	Vinh Hoan Corp	0.3%
24	MSB	Vietnam Maritime Commercial Joint Stock Bank	1.3%	49	HCM	Ho Chi Minh City Securities Corporation	0.3%
25	CTG	Viet Nam Joint Stock Commercial Bank For Industry And Trade	1.2%	50	PHR	Phuoc Hoa Rubber JSC	0.3%

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“Fund Management Company of the Year (Onshore)” in 2015, 2016, 2017, 2018
“Best ETF Provider – Vietnam” in 2021

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