

# SSIAM VNX50 ETF



FACTSHEET – 31 AUG 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	VND282.2 billion (~USD12.3 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	14.93x
PRICE/BOOK RATIO	2.79x

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

## FUND PERFORMANCE



	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%	-0.30%	-1.44%	34.20%	109.05%
VNX50*	71.4%	-9.5%	5.88%	23.14%	-0.31%	-1.44%	34.58%	111.04%

Data calculated in VND as of 31 Aug 2021

## 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 22<sup>nd</sup> August 2017, the fund tracked HNX30 index, which comprised of top 30 stocks listed in Hanoi Stock Exchange. From 23<sup>rd</sup> 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 21<sup>st</sup>, 2017 with base Index value of closing value of VNX Allshare as of July 21<sup>st</sup>, 2017.

The index is reviewed every 6 months.

VNX50 represents 73.2% of the Vietnam total market capitalization.

(\* ) From 17<sup>th</sup> Nov 2014 to 22<sup>nd</sup> August 2017, benchmark index was HNX30 index. After 22<sup>nd</sup> 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.

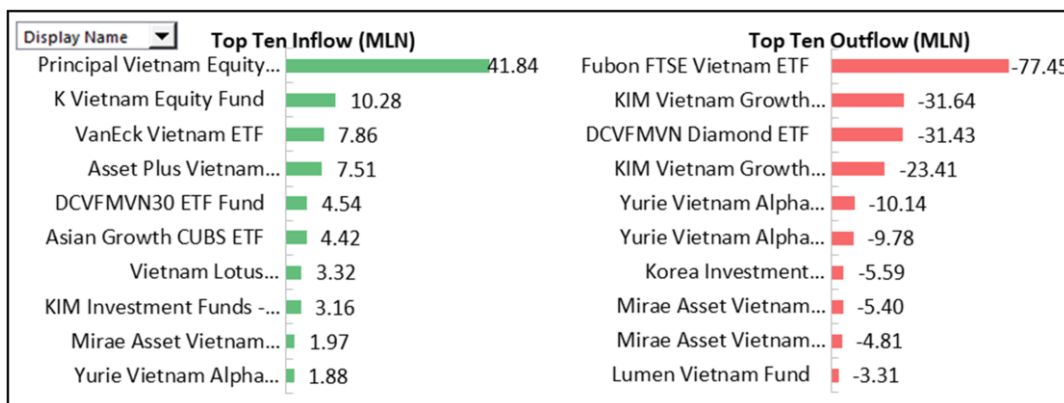
MARKET UPDATES

August 2021 saw a spike in volatility in the Vietnamese stock markets – VNINDEX recovered slightly from July’s steep correction in the first half of the month only to quickly pull back in the second half due to increased uncertainties with the stricter social distancing and unabating COVID situation. The market ended August essentially flat (+1.64% to 1331.47), keeping a healthy YTD return at 21.43%.

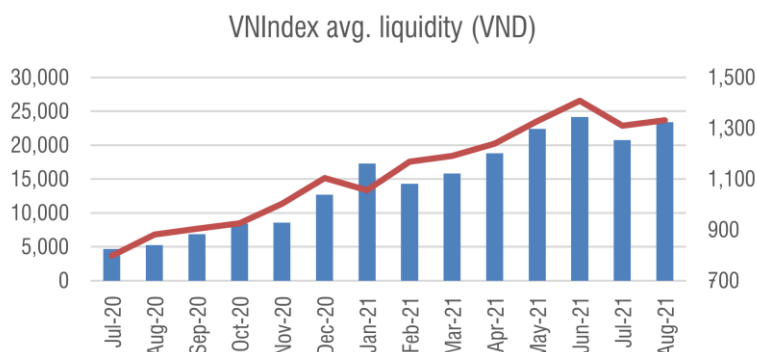
Fundamentally, macroeconomics indicators are less than encouraging in August, with Ho Chi Minh City, Hanoi, along with 23 other provinces applying stricter social distancing measures under Directive 16. GDP growth is forecasted to be negative in Q3 – SSI’s forecast for 2021 is now at 4.2 - 4.6% (vs. 6% previously). Domestic consumption was significantly lower in August with retail sales and service sectors declined -34% in August (-40% vs. Aug’20). YTD domestic consumption shows a -4.7% decline inclusive of price impact. Manufacturing saw -7.4% decline in Industrial production IIP, particularly in Southern provinces (-23.4%) due to breakdowns in supply chain and social distancing regulations. With manufacturing sector operating at less-than-optimal capacity utilization rates, FDI disbursement was only \$1.08 bln in August, registering a decline of -12.2% vs. August ’20 – YTD FDI still shows +2% growth. August exports thus also saw a -6% decline YoY (seafood -26%, rice -30%, lumber -27%, textile -9%, partially offset by steel +107%), accelerating trade deficit to -\$3.7 bln YTD (vs. +\$13.7 bln surplus in 2020). Figures in September are expected to recover slightly with loosening of social distancing policies.

In the short term, investors have been closely watching Covid daily case count and government’s effort to contain the spreads, as well as the spilled over impact into the economy at large. Foreign investors remained cautious with value purchases starting in late July, then switched to short term profit-taking when market reaches resistance levels in mid-August going into September. Total cumulative foreign sell in August reached VND 7 trillion (appx. \$300mm), notably from the Taiwan’s Fubon ETF (-\$77mm outflow) and Korea’s KIM Vietnam Growth Fund (-\$56mm outflow). However, it’s important to note that this is not a risk-off flee to safety – foreign outflow in August is not outsized of recent trends and activities are indicative of profit taking mostly from South Korean funds.

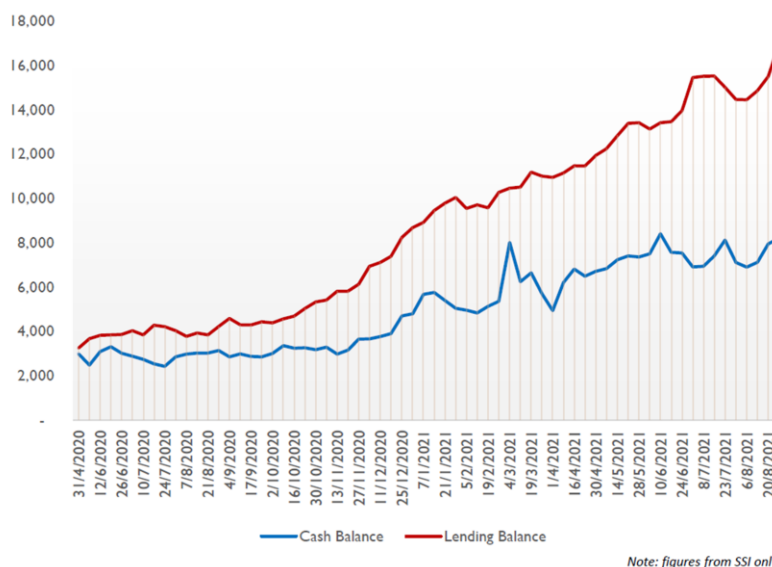
Top foreign inflows/outflows in August:



On the other hands, retail investors were still actively participating in the market with net purchase of VND 12.4 trillion in August. According to VSD, new retail brokerage accounts opened in August reached 120,379, up 19% vs. July, and just below the record level in June (140,054 new accounts.) SSI’s proprietary data indicates that retail investors are holding record high cash and margins, ready to deploy capital at attractive valuations. As social distancing continued, people remained inside, and businesses were forced to operate below capacity, the equity market still provided an attractive platform for income generation. Liquidity remained robust in August, averaging over \$1 bln/day (vs. \$900mm in July). VNIndex saw short term support and market proved resilient at 1,300 after heavy a pull-back from month’s high at 1,374 as investors remained cautiously optimistic.



MARKET UPDATES



While outlooks in the short term are less than up-beat with Q3 and 2H earnings forecasted to be below initial expectations, there are still a lot of reasons to be optimistic. To date, 8.1mm people in Ho Chi Minh City have been vaccinated (86% of population above 18), and so have 5.7mm people in Hanoi (51% of population above 18). Ministry of Health also recently announced commitments of 90-120mm dosages to arrive in Q4 and the Prime Minister has set the tone to steer away from 0-case goal, a major pivot from prior strategy and associated policies. With that, Ho Chi Minh City and southern provinces are expected to slowly loosen up restrictions starting mid September, allowing economic activities to resume.

In its latest report dated August 24th, the World Bank still forecasted Vietnam’s GDP growth to be at 6.5% - 7% from 2022. In early September, Moody’s reaffirmed Ba3 rating for Vietnam with positive outlook, essentially unchanged since the beginning of the year. Despite short term challenges, structurally nothing has changed for the fundamental story. Vietnam remains among the outperformers in ASEAN and broader regions, capitalizing on robust manufacturing base led by buoyant FDIs, extensive exports program with deep integration into the global supply chain at over 200% of GDP, and a thriving service sector that will bounce right back post Covid. Taking a step back, the nature of capital markets is always forward looking – after all, if we are talking about time value of money, then any discounted cash flows models of valuation out there would need to look at the bright shining light at the end of the tunnel in 2022.

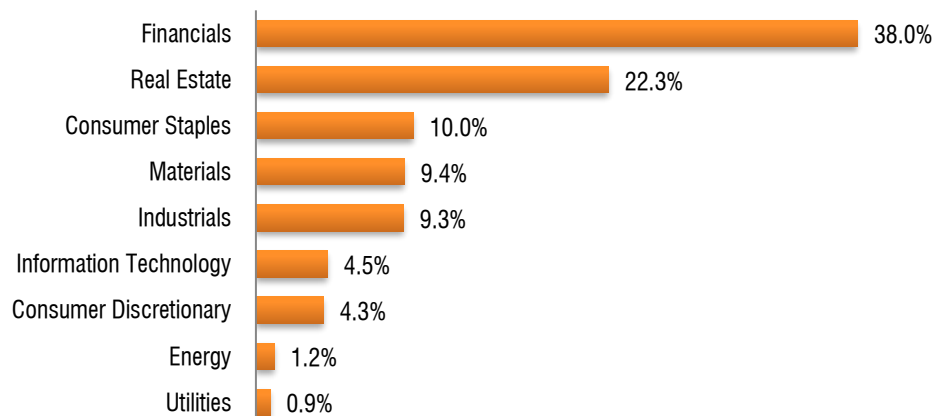
FUND COMMENTARY

August statistics highlights:

- In August 2021, VNX50 Index declined -0.31%, bringing down YTD return to 34.58%.
- During the same period, SSIAM VN50 ETF recorded decline of -0.30%, with YTD return still at 34.20%.
- In August, fund did not see any subscription or redemption. Total NAV on Aug 31<sup>st</sup> is at VND 282.2 bln (appx. \$12.3mm)
- Secondary market liquidity remained robust - fund traded total of 930,000 certificates in August, averaging 42,273 per session, an increase of 32% MoM.

August fundamental risk metrics highlights:

	VNFL Index	VN30 Index	VNX50IX Index	VNIndex Index
P/E	11.17	14.41	14.87	16.03
Forward PE	8.62	11.59	11.58	12.53
P/B	2.06	2.89	2.79	2.58
Dividend Yield (%)	0.20	0.72	0.74	1.27
Beta (vs. VNIndex)	1.28	1.02	1.01	1.00
Sharpe	3.53	3.50	3.54	2.65

**SECTOR ALLOCATION (% NAV)**

**FUND HOLDINGS (% NAV)**

No.	Ticker	Company name	% NAV	No.	Ticker	Company name	% NAV
1	<b>VIC</b>	Vingroup Joint Stock Company	8.0%	26	<b>HSG</b>	Hoa Sen Group	1.0%
2	<b>TGB</b>	Vietnam Technological and Commercial Joint Stock Bank	7.0%	27	<b>SAB</b>	Saigon Beer – Alcohol – Beverage Corporation	0.7%
3	<b>HPG</b>	Hoa Phat Group Joint Stock Company	7.7%	28	<b>GMD</b>	Gemadept Corporation	0.8%
4	<b>VPB</b>	Vietnam Prosperity Joint Stock Commercial Bank	6.2%	29	<b>GEX</b>	Viet Nam Electrical Equipment Joint Stock Corporation	0.8%
5	<b>VHM</b>	Vinhomes JSC	5.6%	30	<b>KBC</b>	Kinh Bac City Development Holding Corporation	0.9%
6	<b>ACB</b>	Asia Commercial Bank	4.7%	31	<b>NLG</b>	Nam Long Investment Corporation	0.6%
7	<b>FPT</b>	FPT Corporation	4.5%	32	<b>VCG</b>	Vietnam Construction And Import-Export Joint Stock Corporation	0.5%
8	<b>VNM</b>	Viet Nam Dairy Products Joint Stock Company	4.6%	33	<b>GAS</b>	PetroVietnam Gas Joint Stock Corporation	0.5%
9	<b>MBB</b>	Military Commercial Joint Stock Bank	3.7%	34	<b>PLX</b>	Viet Nam National Petroleum Group	0.5%
10	<b>MSN</b>	MaSan Group Corporation	3.5%	35	<b>KDC</b>	KIDO Group Corporation	0.5%
11	<b>THD</b>	Thaiholdings JSC	3.6%	36	<b>IDC</b>	IDICO Corp JSC	0.5%
12	<b>NVL</b>	No Va Land Investment Group Corporation	3.4%	37	<b>BID</b>	Joint Stock Commercial Bank for Investment and Development of Vietnam	0.4%
13	<b>STB</b>	Sai Gon Thuong Tin Commercial Joint Stock Bank	3.0%	38	<b>HCM</b>	Ho Chi Minh City Securities Corporation	0.5%
14	<b>MWG</b>	Mobile World Investment Corporation	3.3%	39	<b>PVS</b>	PetroVietnam Technical Services Corporation	0.4%
15	<b>SHB</b>	Saigon Hanoi Commercial Joint Stock Bank	2.9%	40	<b>APH</b>	An Phat Holdings JSC	0.4%
16	<b>VCB</b>	Joint Stock Commercial Bank For Foreign Trade Of Viet Nam	2.6%	41	<b>POW</b>	PetroVietnam Power Corporation	0.4%
17	<b>HDB</b>	Ho Chi Minh City Development Joint Stock Commercial Bank	2.3%	42	<b>CTD</b>	Coteccons Construction Joint Stock Company	0.3%
18	<b>VJC</b>	Vietjet Aviation Joint Stock Company	2.2%	43	<b>TCH</b>	Hoang Huy Investment Financial Services Joint Stock Company	0.3%
19	<b>VRE</b>	Vincom Retail Joint Stock Company	1.6%	44	<b>SBT</b>	Thanh Thanh Cong Tay Ninh Joint Stock Company	0.3%
20	<b>CTG</b>	Viet Nam Joint Stock Commercial Bank For Industry And Trade	1.5%	45	<b>BVH</b>	Bao Viet Holdings	0.3%
21	<b>SSI</b>	Saigon Securities Incorporation	1.7%	46	<b>PVD</b>	Petrovietnam Drilling & Well Service Corporation	0.3%
22	<b>TPB</b>	Tien Phong Commercial Joint Stock Bank	1.4%	47	<b>PHR</b>	Phuoc Hoa Rubber JSC	0.3%
23	<b>PDR</b>	Phat Dat Real Estate Development Corp	1.1%	48	<b>VHC</b>	Vinh Hoan Corp	0.3%
24	<b>PNJ</b>	Phu Nhuan Jewelry Joint Stock Company	1.0%	49	<b>VPI</b>	Van Phu - Invest Investment JSC	0.2%
25	<b>KDH</b>	Khang Dien House Trading and Investment	1.0%	50	<b>CII</b>	Hochiminh City Infrastructure Investment Joint Stock Company	0.2%

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