



FACT SHEET AS OF 31 JANUARY 2023

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	VND145.24 billion (~USD6.19 million) (as of Jan 31 st , 2023)
CURRENCY	VND
FUND MANAGER	SSI Asset Management (SSIAM)
MANAGEMENT FEE	0.65%
OUTSTANDING FUND UNITS	9,100,000

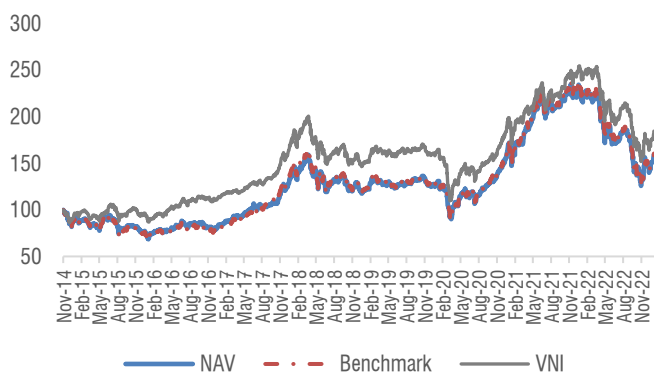
FUND DATA

NUMBER OF HOLDINGS	50
PRICE/EARNINGS RATIO	10.87x
PRICE/BOOK RATIO	1.56x

Source: Bloomberg, SSIAM

FUND PERFORMANCE

SSIAM VNX50 ETF Performance (% SI)



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 >60% of the Vietnam total market capitalization.

	Growth (%)							
	2018	2019	2020	2021	1 month	3 months	YTD	Since inception (17/11/2014)
ETF SSIAM VNX50	-7.1	6.04	22.95	48.54	11.09	10.55	11.09	5.86
VNX50 *	-9.5	5.88	23.14	49.53	11.21	10.64	11.21	5.97

(*) 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 – January 2023

“Without labor nothing prospers”

— Sophocles, ancient Greek tragedian

Happy Lunar New Year!

In the decade and change that I was away, I thought that my heart and my mind stayed pretty close to Vietnam. Little did I know until my dad reminded me that it had been 9 years since the last time I was at home for *Tết*. For international audiences, *Tết* in Vietnam, and more generally, Lunar New Year across Asia Pacific, is equivalent to Christmas and New Year holidays in Western hemisphere. It is the celebration of spring, and all the promises a new year brings. It was the first time in a decade that I ate *bánh chưng* and *bánh dầy* again, among the traditional cuisines served during *Tết*. These two cakes symbolize the Earth and the Sky, the ultimate natural forces that governed the traditional folk life. *Bánh chưng* also represents the wealth and prosperity that we wish the new year brings, and *bánh dầy* embodies the familial love and community value which is ingrained in our cultural roots. I have learned these tales in my childhood, but I almost forgot the significance of their messages in the bustling and hustling of the modern life. The traditional cakes are not fancy, but their elegance is in their simplicity.

On the first day of the Lunar New Year, Vietnamese students usually spend a little time to “*khai bút*” (literal: commence writing). This is a tradition that I have observed since childhood to kickstart the learning journey for the year. As a student of the market, I started to reflect and pen up this note to our valued investors also on the first day of *Tết*.

Readers of my monthly notes have probably been aware that Vietnam’s market has shown some tumultuous turns over the past year 2022. Yet, we are of a strong conviction of a single investment thesis: that despite it all, the long term fundamental growth drivers don’t change. We have discussed about the challenges that we faced in the market in 2022, and the continued challenges that we see in 2023 – however, Vietnam economy will continue to be an export driven story in the decades to come, supported by the rise of manufacturing and industrial sectors and FDI capital. Domestic market is large with the ever increasing urbanization and middle class affluence, and a youthful and dynamic population and workforce. Few other markets in the world have such strong fundamentals, and thus perhaps keeping it simple is really the guidance compass we should follow in 2023.

Few market predictions have realized at the end of 2022, both in the global financial markets as well as Vietnam, and with that, we are of the opinion that macro predictions are largely futile. By and large, a simple buy and hold strategy of quality assets should suffice. However, at the requests of some investors, we would like to elaborate on the opportunities we see in the months to come – please get in touch with us to discuss the specifics:

Valuation play:

Assets valuation has seen a steep decline in 2022, mostly due to retails’ fear and cross-selling pressure of corporate bonds collaterals. Valuation is thus at an extremely attractive level. While some Q4 reports were disappointments and forward earnings are adjusted downward for the 2023, we are thinking of upside risks on valuation given that VNIndex is trading at only 13.9x P/E and 8.2x fwd P/E.



(Sources: SSIAM, Bloomberg – as of Feb 6, 2023)

Distressed Assets in Real Estate:

It is undeniable that there are some distressed assets floating around, particularly in the Real Estate sector. Real Estate has been a driver in the growth story in recent years, and is currently taking 17% of VNIINDEX weight. While it appears that the sector is going through some cyclical correction and is being punished by leverages, the long-term upward trajectory is clear due to urbanization rates and infrastructure development to service manufacturing and industrialization progresses.

	Weight	1M		3M		6M		YTD		1Y	
		Total Return (%)	Contribution %	Total Return (%)	Contribution %	Total Return (%)	Contribution %	Total Return (%)	Contribution %	Total Return (%)	Contribution %
VNIINDEX	100.00%	10.36		8.50		-7.33		10.36		-23.76	
Financials	40.18%	13.75	5.37	20.52	7.59	4.52	2.31	13.75	5.37	-19.22	-5.38
Real Estate	17.39%	6.15	1.13	-9.46	-2.04	-24.56	-5.78	6.15	1.13	-41.58	-10.24
Consumer Staples	11.95%	6.55	0.82	5.73	0.73	-1.57	-0.16	6.55	0.82	-3.44	-0.28
Consumer Discretionary	3.07%	5.53	0.17	-3.07	-0.16	-15.88	-0.69	5.53	0.17	-18.55	-0.74
Utilities	7.26%	5.76	0.43	-0.30	-0.05	-3.81	-0.82	5.76	0.43	-7.69	-0.65
Industrials	7.85%	10.35	0.81	9.05	0.66	-17.80	-1.68	10.35	0.81	-30.66	-2.98
Materials	7.37%	17.15	1.18	16.56	1.12	-13.79	-1.15	17.15	1.18	-33.63	-3.05
Information Technology	2.40%	9.18	0.22	6.79	0.16	-0.93	-0.03	9.18	0.22	10.65	0.14
Energy	1.58%	13.70	0.21	29.73	0.40	-1.17	-0.01	13.70	0.21	-27.61	-0.46
Health Care	0.72%	5.58	0.04	8.78	0.06	-2.01	-0.01	5.58	0.04	-8.94	-0.06
Communication Services	0.07%	-1.89	0.00	8.98	0.01	-44.49	-0.03	-1.89	0.00	-45.47	-0.03
Not Classified	0.16%	2.20	0.00	-9.25	0.00	-26.31	-0.01	2.20	0.00	-44.49	-0.02

(Sources: SSIAM, Bloomberg – as of Jan 31, 2023)

The correction in the Real Estate sector has been indiscriminating for the most part, and there has not been significant performance divergences among the real estate developers. As such, there are three simple strategies to follow:

- Buy quality real-estate equity assets at cheap – we would focus on equity of companies with relatively healthier balance sheets, limited leverage, strong brands, and expected strong recovery of cash flow when market turned upbeat again
- Buy distressed real assets – we anticipate significant selling pressures of real assets in 2023 given the debt obligations associated with corporate bonds maturity.
- Turnaround / Restructuring: this is an “adults swim only” area for sophisticated institutional/financial investors to take up majority or significant minority stake

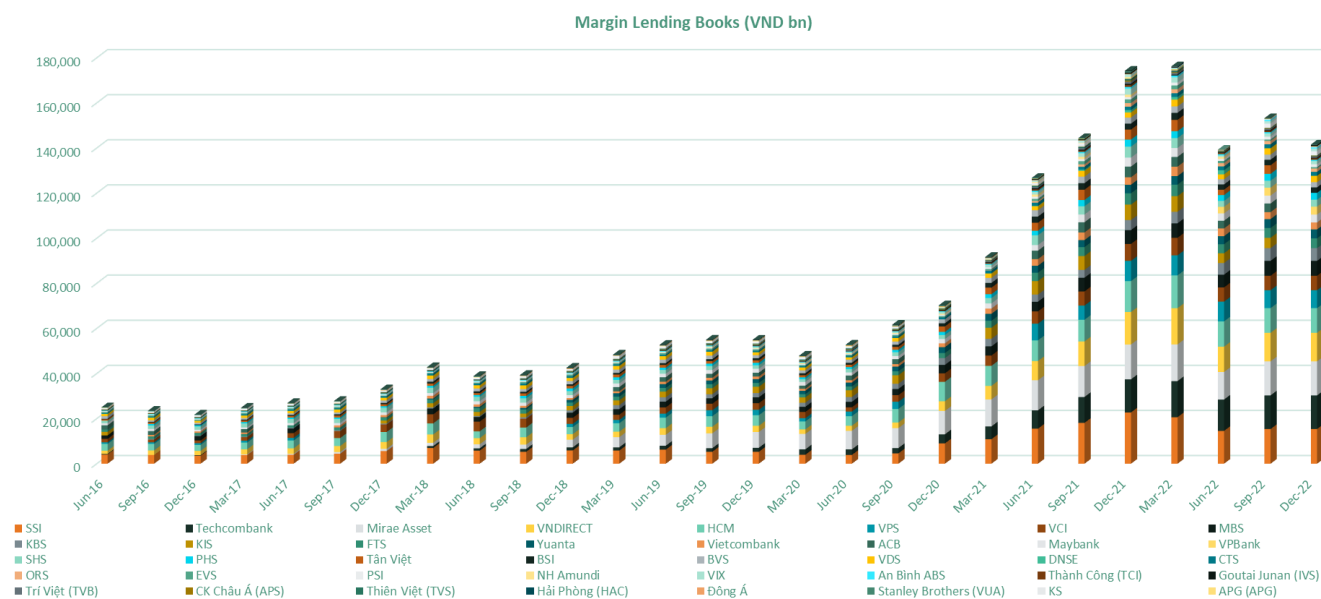
Strong cash flows - Cash rich businesses

In a tightening credit environment, the obvious candidates for market outperformances are businesses with strong cash flows. We thus prefer Consumer sector servicing the large domestic market and urban population in Vietnam with rising income, exports-driven sectors such as technology and processed foods, and sectors benefitting from strong FDI flows. We note that global recession risks

have been coming down in recent weeks, and there could be upside risks to low projections on global demand as Vietnam’s PMI has picked up in Jan following 3 consecutive months of decline.

Invest in Liquidity Providers, or be the liquidity provider:

We anticipate that liquidity will remain an issue in 2023, given the strong demand for funding for both growth and to finance short term debts. Liquidity situation is expected to improve in Q4’23 going into 2024, but there are probabilities that liquidity crunches will come in waves in late Q2’23 to Q3’23 based on the projected bonds maturity. Liquidity providers such as banks and brokerage companies will continue to play an important role in facilitate the capital flows and benefit from the elevated credit spreads. Unlike the situation in 2022, banks and securities companies are now prepared to evaluate opportunities to provide capital to the highest risk-adjusted yielding assets. While banks will be subjected to SBV’s policies pressure to lower funding costs as well as credit growth quotas, securities companies are at better liberty to lend and manage risks with liquid collateral assets. Investors should thus be watching out for the overall margin book growth this year, and invest in liquidity providers that have traditionally managed risks well.



(Sources: SSIAM, SSC, FinnPro – as of Jan 31, 2023)

While banking sector’s NIMs are likely lower in 2023 due to increased COFs and lower interests ceiling imposed by SBVs, we would note that banks with more diversified business focused on retails will be able to capitalize on fees growth potentials through retail loans originations, credit cards, banca-insurances, and other services, while being able to maintain the quality of their book. It is important to note that to the extent that banks may have higher non-performing assets this year, it is unlikely to be reflected in their balance sheets until late-2023 or 2024, due to technical accounting policies. However, investors should be on the close watch for upwards adjustments in Reserves as a signal. Financials remain the main driver of the local index, taking up 39% of VNI weight – and therefore any valuation re-rate to the upside will have to be driven by the outperformance of banks. We note that Vietnamese banks continue to trade at historical low P/B at 1.2x vs. 2.0 historical averages due to high ROEs expectations (~20%).

Better yet, we think there are opportunities for sophisticated institutional investors to come in and play in the structured equity space, Mezzanine Debt, or negotiate for higher seniority debt-financing in both listed and private space with respectable yields and quality. Please connect with us if this is something you would like to explore.

Dynamic Tactical Portfolio Allocation

In the same vein, we would place a significant focus on tactical portfolio allocation based on liquidity flow. It is only a matter of time before retail investors return to the market with a risk-on mode again. However, investors should be closely watching for the signs of quick capital inflows and outflows into certain segments of the market, particularly in mid and small-cap stocks.

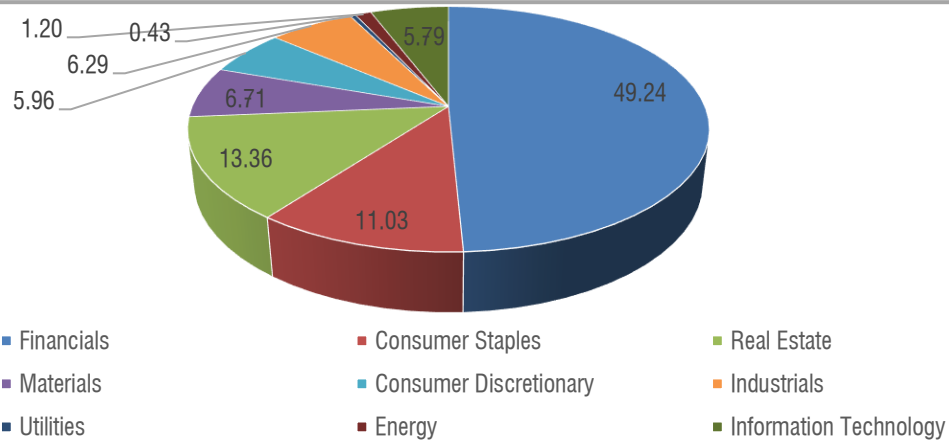
In the short term, though, sophisticated foreign institutional investors have also been a significant driver of market liquidity, scooping up quality assets at cheap valuations and low FOLs premiums, and providing a floor level on valuation. This is a theme that we think will continue for the time being, and non-professional investors should simply follow the flows.

SSIAM Model Portfolio Tactical Allocation for Feb 2023:

Name	SSIAM Model Portfolio	Benchmark	Indication
Financials	44.01%	39.01%	Overweight
Industrials	11.84%	7.90%	Overweight
Real Estate	11.60%	18.07%	Undeweight
Utilities	11.39%	7.59%	Overweight
Materials	10.41%	6.94%	Overweight
Consumer Discretionary	4.82%	3.22%	Overweight
Information Technology	3.64%	2.42%	Overweight
Energy	2.29%	1.53%	Overweight
Consumer Staples	0.00%	12.39%	Undeweight
Health Care	0.00%	0.75%	Undeweight

Compared to last month, we are reintroducing Real Estate into our Model Tactical Portfolio at 11.6% (still underweight vs. benchmark at 18.07%). At the same time, we are removing Consumer Staples and Healthcare due to poor ex-ante risk-adjusted returns. Please get in touch with us on the construction methodology.

We hope that this note finds you in good health, and that the new year brings you prosperity and happiness. We look forward to continuing to share our insights and thoughts with you throughout 2023. Thank you for your continued trust and support, and we wish you all the best for the new year ahead.

SECTOR ALLOCATION

FUND HOLDINGS (% NAV)

No.	Ticker	Company name	% NAV	No.	Ticker	Company name	% NAV
1	VPB	Vietnam Prosperity Joint Stock Commercial Bank	6.09	26	GMD	Gemadept Corporation	1.09
2	FPT	FPT Corporation	5.79	27	THD	Thaiholdings JSC	1.07
3	ACB	Asia Commercial Bank	5.44	28	OCB	Orient Commercial Joint Stock Bank	1.07
4	HPG	Hoa Phat Group Joint Stock Company	5.16	29	VND	VNDirect Securities Corporation	1.05
5	VNM	Viet Nam Dairy Products Joint Stock Company	4.86	30	DGC	Duc Giang Chemicals and Detergant powder JSC	1.02
6	TCB	Vietnam Technological and Commercial Joint Stock Bank	4.85	31	KDH	Khang Dien House Trading And Investment Joint Stock Company	0.94
7	MSN	MaSan Group Corporation	4.70	32	NVL	No Va Land Investment Group Corporation	0.84
8	MWG	Mobile World Investment Corporation	4.15	33	KBC	Kinh Bac City Development Holding Corporation	0.80
9	VIC	Vingroup Joint Stock Company	4.03	34	IDC	IDICO Corp JSC	0.65
10	SSB	Southeast Asia Commercial Joint Stock Bank	4.02	35	KDC	KIDO Group Corporation	0.64
11	VHM	Vinhomes JSC	3.95	36	VCI	Viet Capital Securities Joint Stock Company	0.64
12	STB	Sai Gon Thuong Tin Commercial Joint Stock Bank	3.74	37	NLG	Nam Long Investment Corporation	0.53
13	MBB	Military Commercial Joint Stock Bank	3.58	38	HSG	Hoa Sen Group	0.53
14	VCB	Joint Stock Commercial Bank For Foreign Trade Of Viet Nam	3.57	39	GEX	Viet Nam Electrical Equipment Joint Stock Corporation	0.52
15	HDB	Ho Chi Minh City Development Joint Stock Commercial Bank	2.45	40	VHC	Vinh Hoan Corp	0.47
16	VJC	Vietjet Aviation Joint Stock Company	2.30	41	PVS	PetroVietnam Technical Services Corporation	0.43
17	VIB	Vietnam International Commercial Joint Stock Bank	2.07	42	DIG	Development Investment Construction JSC	0.43
18	VRE	Vincom Retail Joint Stock Company	1.99	43	POW	PetroVietnam Power Corporation	0.43
19	SHB	Saigon Hanoi Commercial Joint Stock Bank	1.94	44	PVD	Petrovietnam Drilling & Well Service Corporation	0.41
20	PNJ	Phu Nhuan Jewelry Joint Stock Company	1.81	45	HCM	Ho Chi Minh City Securities Corporation	0.41
21	MSB	Vietnam Maritime Commercial Joint Stock Bank	1.76	46	SBT	Thanh Thanh Cong Tay Ninh Joint Stock Company	0.36
22	CTG	Viet Nam Joint Stock Commercial Bank For Industry And Trade	1.60	47	PLX	Viet Nam National Petroleum Group	0.35
23	SSI	SSI Securities Corporation	1.59	48	BVH	Bao Viet Holdings	0.28
24	TPB	Tien Phong Commercial Joint Stock Bank	1.58	49	PDR	Phat Dat Real Estate Development Corp	0.28
25	LPB	LienViet Post Commercial Joint Stock Bank	1.52	50	TCH	Hoang Huy Investment Financial Services Joint Stock Company	0.22

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Asia Asset Management
The Journal of Investments & Pensions

Asia Asset Management

"Best Fund House in Vietnam" in 2012, 2013, 2016

"CEO of the Year" in 2012, 2013, 2014, 2015, 2016, 2020, 2022

"CIO of the Year" in 2013, 2014, 2015

"Fund Launch of the Year" in 2020



Asian Investor

"Best Vietnam onshore Fund House" in 2010

"Best Asset Management Company in Vietnam" in 2015, 2016, 2017, 2018

"Best Business Development" in 2022



The Asset

"Asset Management Company of the Year - Vietnam" in 2012, 2014, 2021, 2022

"Fund Management Company of the Year (Onshore)" in 2015, 2016, 2017, 2018

"ETF Provider of the Year" in 2021



Alpha Southeast Asia

"Best Overall Asset & Fund Manager" in 2020, 2021, 2022

"Best Fund Manager for Insurance, ILP Mandates & Private Retirement Schemes" in 2020, 2021

"Best Asset Manager (Balanced Funds)" in 2021

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