

Asset Management Leader Hang Le Thi Le Enthuses about the Huge Potential ahead in Vietnam



Hang Le Thi Le is Chief Executive Officer of leading Vietnamese firm SSI Asset Management, which has been at the cutting edge of the nascent wealth management industry in Vietnam since 2007. Hang joined our Hubbis panel of Vietnam wealth management experts on July 20 to discuss the evolution of the country's wealth management market. She is confident that asset management has an immensely bright future in Vietnam, especially with a population of approaching 100 million, a rapidly expanding middle class that is increasingly well educated and urbanised, and a gradually expanding range of investment products on offer locally.

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SSI Asset Management

(SSIAM) is a 100%-owned subsidiary of SSI Securities Corporation (SSI), a leading securities company in Vietnam, providing fund and portfolio management services to help individuals and institutions to preserve and grow their wealth. "We offer clients what we consider to be the best investment opportunities based on our unparalleled experience, rigorous research and due diligence based upon thorough top-down and bottom-up analyses, followed by best-in-class investment execution and post-investment practices," Hang reports.

in 2010. She has many years of experience in SSIAM, SSI, and at WP Stewart, a New York-based asset management firm. When at SSI, she acted as Managing Director and Head of SSI's Research & Investment Advisory Department, as well as Assistant to the Chairman of SSI and Head of Institutional Sales. Aside from her role at SSIAM, she is currently, the Vice Chairwoman of National Seed Company and Chairwoman of Vietnam Investment Growth Fund (VGIF). Hang holds a master's in finance and BA in Accounting from American University, USA.

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At the cutting edge of Vietnam's development

Established in August 2007, SSIAM's vision is to be Vietnam's leading asset management company, providing excellent returns to clients, along with the highest international standards of professionalism and corporate governance. The firm had USD428 million of assets under management as of June 2021. "Our investment team currently comprises 12 professionals with deep knowledge of the local stock market and international experience in asset management," Hang explains.

Hang herself has been with SSI Securities Corporation (SSI) since 2007 and became CEO of SSIAM

Falling rates, rising investments

Hang offered delegates some valuable views on investment and financial market trends, remarking that with the local interest rate and bank deposit rates heading downwards since 2020, the capital markets have naturally become a much more attractive alternative investment for most Vietnamese investors.

"That is why we saw some 500,000 new accounts opened in the first six months, bring the total to nearer 3.5 million trading accounts today," she noted. "However, with a population of nearly 100 million, that is still a rather low penetration rate, so the potential is still very great."

Retail buyers drive volumes higher

Trading volumes, she noted, are driven by retail buyers, who account for almost 85% of daily activity. "Much of this is short-term investment as investors try to capture the market momentum," she said, "but at the same time we also see a trend towards investing in open-ended funds especially for those who don't have a large sum of capital to invest at one time.

Hang explained that Vietnamese investors had long placed surplus funds in deposits as bank rates have been appealing, but with the draw of the performance as well in the stock and bond markets, demand for both equities and fixed income is on the rise, with much of the buying through funds.

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She explained that foreign investors have also been buying in enthusiastically to Local ETFs such as SSIAM VNFinlead, DCVF VNDiamond, and VN30. The SSIAM VNFinlead is Vietnam's first sector focused ETF, which investing in leading financial companies in Vietnam and the fund delivered 68.18% return in the first 6 months 2021. Key ETFs of SSIAM are SSIAM VNFIN LEAD ETF, SSIAM VNX50 ETF and SSIAM VN30 ETF.

VIETNAM LEADING FINANCIAL INDEX is the index that includes at least 10 companies, selected from component securities of VNAllshare Financials Index



HANG LE THI LE
SSI Asset Management

(VNFIN Index) satisfying the index criteria with a 15% weight limit for individual stocks. It is the first time Vietnam market has an ETF to target the largest stocks in the financial sector and is expected to attract new ETF inflows into the Vietnamese stock market.

VN30 index (VN30) is a price index that includes stocks listed on the Ho Chi Minh City Stock Exchange which are eligible to participate in creation basket and index criteria. Vn30 tracks the 30 biggest stocks in market capitalisation. The VN30 index has a 10% weight limit for individual stocks and 15% for group of related stocks.

VNX50 Index is the Index constructed and co-managed by Ha Noi Stock Exchange (HNX) and Ho Chi Minh Stock Exchange (HSX). HSX is directly responsible for calculating and operating the Index. VNX50 Index includes top 50 stocks listed in HNX and HOSE.

SSIAM’s commitment to ETFs

“We are a major ETF provider here in Vietnam, since we launched our VNFinleadfirst VNX50 ETF, we have seen first-hand how foreign

investors like to use ETFs as they are short of the information required to buy in directly,” she explained. “ETFs are actually a perfect way to enter, as they are cheaper and easier access, they do not have limits on foreign ownership limits either, as the ETFs are considered local buyers from a regulatory standpoint.”

She added that although ETFs have garnered plenty of interest from overseas, especially foreign institutional investors, they had not generally been drawing as much interest from local retail investors. She explained that local retail investors only accounts between 2-9% of the total AUM in the ETFs.

“Buying into mutual funds and direct investing also through FinTech companies here in Vietnam, which have opened access to younger investors with only modest sums to invest. With the FinTechs, you can start buying with less than USD100 equivalent, even as low as two US dollars equivalent, or the price of a coffee. This augurs well, as these young people are rapidly learning about the markets and even about financial planning and asset allocation from a very early stage. In the future, that will actually be one of the key drivers for the asset management market to grow in Vietnam.”

Learning for the future

Another noteworthy trend Hang reported was the return in numbers of Vietnamese students who would normally be studying overseas. They have had to change their plans due to the pandemic, and many have seen their parents investing and decided to also learn more about the markets.

Today’s students, tomorrow’s leaders

“They have been trying out their skills at investing here,” she told delegates. “Buying into mutual funds and direct investing also through FinTech companies here in Vietnam, which have opened access to younger investors with only modest sums to invest. With the FinTechs, you can start buying with less than USD100 equivalent, even as low as two US dollars equivalent, or the price of a coffee. This augurs well, as these young people are rapidly learning about the markets and even about financial planning and asset allocation from a very early stage. In the future, that will

actually be one of the key drivers for the asset management market to grow in Vietnam.”

Hang also commented on how the markets can develop in the future. She agreed with other experts on the panel that education is a key priority and added that the arrival of FinTechs was also improving access and awareness. “And I think

we and other asset management firms here have actually done a good job of improving education and market knowledge amongst clients and partners.”

Ahead of the trends

Hang also commented on the competitive environment amongst asset managers, noting that being innovative and aiming to be a first mover has been a key advantage for SSIAM. “Knowing the market, anticipating the key trends in demand, both local and foreign, these are also key skills,” she explained. “The other

element is performance because if we can help investors perform, they will stick with us. Finally, the quality of the services we offer and the breadth of our offering, comprising fixed income, equity, and alternative investment. In short, we need to offer the full range of asset allocation, strategy, financial planning and deliver with the right quality, and clients will then stick with us.”

The journey has just begun...

She rounded off her comments by remarking that the priority now

is to continue growing the firm’s AUM to capture a growing slice of the expanding market in Vietnam. “With about 99 million people and investors representing maybe 3% of that number, clearly the growth potential is enormous. Asset management is only really at the beginning of its journey here in Vietnam, so if we can keep up this progress, if we can keep educating the growing middle class, if we can help them see longer-term and plan their financial futures, if we can connect to the younger generations, then there is a rosy future ahead.” ■

