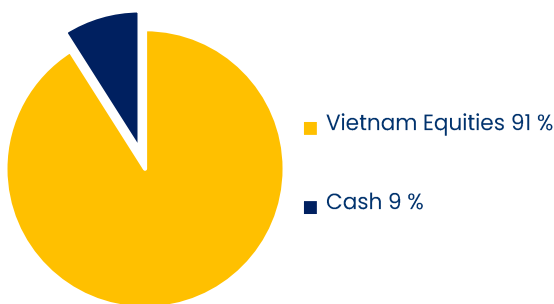


Fund Information	
Fund Focus	Asia ex Japan
Market Focus	Vietnam
ISIN	FI0008803812
Bloomberg	ELITE FH
Subscription / Redemption fee	0 %*
Management fee	1 %
Performance-based fee, HWM	12 %
Current HWM (31 January 2018)	325.362 EUR

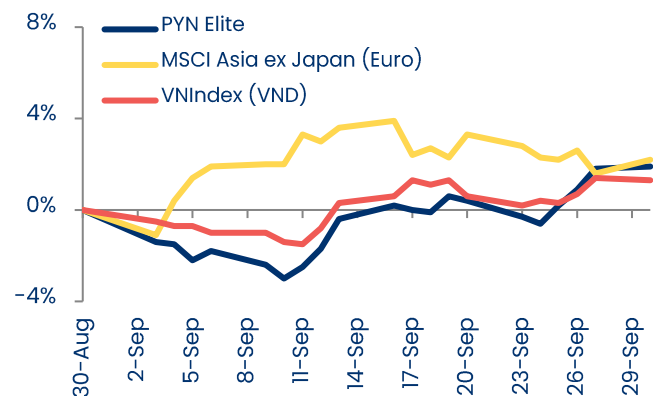
Fund Performance per 30.09.2019	
Net Asset Value (NAV) per Unit	302.180 EUR
Assets under Management	415 mil. EUR
Change Month-on-Month	1.90 %
Change Year-to-date	6.03 %
Change since Inception (Feb 1999)	2 921.8 %
Annualized Return since Inception	17.9 %
Next Subscription Date	31.10.2019
Contact Email	info@pyn.fi

\*Subscription fee is 5 % for amounts of 3 million EUR or more.

## ALLOCATION OF PYN ELITE



## FUND RETURN VS INDEX



## Comments

 **Maggie Yi, Analyst**  
PYN Asia Research

In September, PYN Elite gained 1.9% on MWG, HDB, KDH and CII. VN Index +1.3% supported by banking sector. Q3 GDP growth came strong at 7.3%, well above consensus of 6.7%, despite a lagging government disbursement. State Bank of Vietnam cut rate by 25bps. Forex reserve is estimated at new high of \$71 billion.

Banking sector's multiple contracted from 2.0X PB last Sep to 1.6X PB now. The main headwinds have been 1) SBV's credit quota and circular drafts 2) banks' deposit competition and bonds issuance to drive funding cost 3) Limited property launch add mortgage growth concern.

I just visited 10+ banks and many insurance companies. Bank stocks seem poised for a take-off, supported by:

**Strong Fee Income:** Life insurance products are popular and penetrating fast in Vietnam. On our visits, we passed one branch of Manulife that was packed with 50 customers inquiring about products on a normal business day. Banks enjoy a very strong negotiation power with its bancassurance partners. It is up to the bank to select its partner. Life insurance companies need to pay a hefty 'access fee' to lock up a 10-15 year exclusive contract. During the term, banks earn a high commission rate. Some bank performed so well they could even renegotiate the banca contract for a better term. For non-life insurance, some banks could get up to 80% commission rate without any exclusive deal.

**Robust Loan demand:** Retail-focused banks face such strong loan demand that they must grow deposit equally fast. (Banks need to comply with deposit-related ratios). In mid-August, some banks attempted to raise the saving rate up to 10% per year, but SBV quickly warned them to be 'rational'. This is in silly contrast to European banks: Danish Jyske Bank just offered its loan customer 10-year mortgage with an interest rate of -0.5% and charging millionaire customers for deposits a rate of -0.6%.

**Other catalysts:** GDP revision to lower credit/GDP ratio, giving SBV more flexibility on credit growth; VPB and HDB to start share buybacks; the launch of ETFs based on FOLs full and Financial Index (both include many banks' stocks).

**Macro:** 9M Retail sales +11.6%. 9M IIP hit 4 year high of +9.6% YoY. Export +8.2% YoY. Sep PMI weakened to 50.5. There are signs that government is finding ways to circumvent bureaucracy and expedite budget disbursement (benefiting CII).

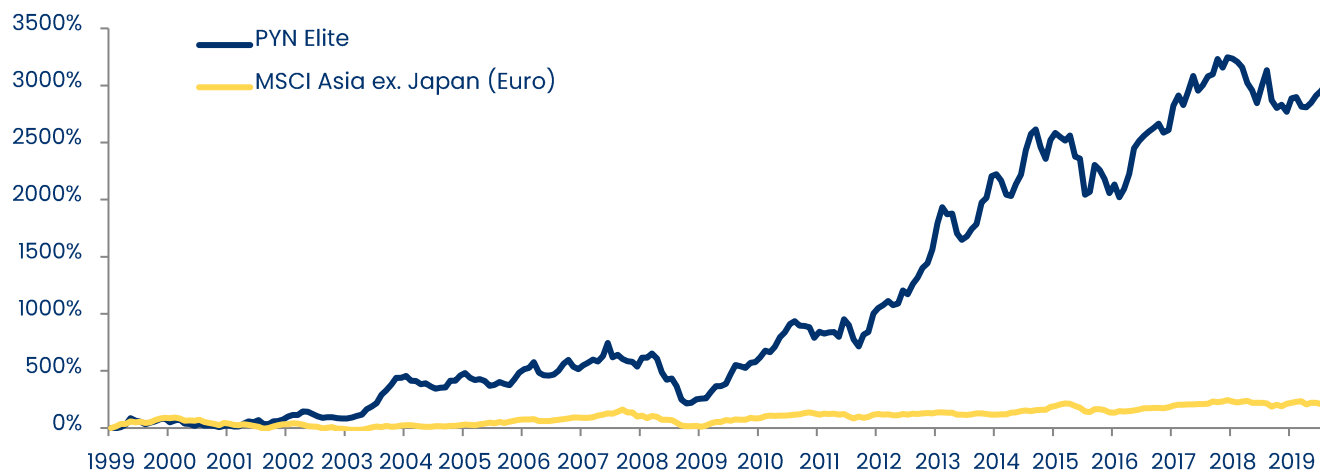
## Top Holdings

1.	Mobile World	17.43 %	7.	CEO	3.57 %
2.	TP Bank	10.53 %	8.	PAN	3.21 %
3.	HD Bank	8.75 %	9.	Nam Long	2.99 %
4.	VEAM	7.89 %	10.	VNDirect	2.83 %
5.	CII	5.76 %	11.	Fecon	2.37 %
6.	Khang Dien	4.54 %	12.	CMC	1.64 %

## Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	-2.18 %	4.18 %	0.32 %	-2.83 %	-0.15 %	1.32 %	2.22 %	1.27 %	1.90 %				6.03 %
2018	2.83 %	-0.37 %	-0.82 %	-1.48 %	-4.20 %	-2.06 %	-3.72 %	5.36 %	4.23 %	-8.14 %	-2.22 %	0.99 %	-9.92 %
2017	0.87 %	7.96 %	3.03 %	-2.84 %	4.07 %	4.45 %	-3.99 %	1.58 %	2.51 %	0.49 %	4.20 %	-2.27 %	21.21 %
2016	-5.41 %	3.53 %	-5.02 %	3.48 %	5.92 %	9.66 %	2.57 %	1.74 %	1.32 %	1.30 %	1.35 %	-2.95 %	17.77 %
2015	6.78 %	2.29 %	-1.34 %	-1.10 %	1.66 %	-6.92 %	-0.69 %	-12.95 %	1.25 %	10.87 %	-1.83 %	-3.39 %	-7.19 %
2014	9.16 %	0.69 %	-2.38 %	-5.49 %	-0.51 %	4.85 %	3.80 %	9.11 %	5.72 %	1.45 %	-5.66 %	-4.12 %	16.24 %
2013	7.78 %	13.90 %	7.35 %	-3.03 %	0.34 %	-8.84 %	-3.21 %	1.86 %	3.57 %	2.31 %	10.14 %	1.81 %	36.92 %
2012	17.04 %	4.51 %	1.55 %	3.69 %	-2.88 %	1.03 %	9.60 %	-2.41 %	7.00 %	3.99 %	6.12 %	2.77 %	64.03 %
2011	-9.58 %	6.22 %	-1.91 %	1.43 %	0.13 %	-4.37 %	17.11 %	-4.95 %	-12.64 %	-6.83 %	12.66 %	2.53 %	-4.25 %

## CUMULATIVE RETURN SINCE INCEPTION VS INDEX



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