

Fund Information

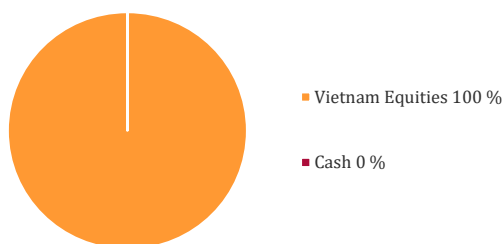
Fund Focus	Asia ex Japan
Market Focus	Vietnam
ISIN	FI0008803812
Bloomberg	ELITE FH
Subscription / Redemption fee	0%*
Management fee	1%
Performance-based fee, HWM	12%
Current HWM (31 January 2018)	325.362 EUR

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

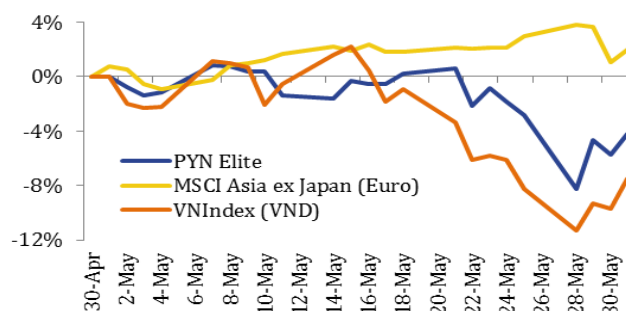
Fund Performance per 31.05.2018

Net Asset Value (NAV) per Unit	303.436 EUR
Assets under Management	427 mil. EUR
Change Month-on-Month	-4.2%
Change Year-to-date	-4.1%
Change since Inception (Feb 1999)	2 934.4%
Annualized Return since Inception	19.3%
Next Subscription Date	29.06.2018
Contact Email	info@pyn.fi

Allocation of PYN Elite



Fund Return vs Index



Comments

The sharp correction in April by financials and large-caps evolved into a broad market sell-off in May, with a little recovery at month-end. While some names' corrections were anticipated, many quality stocks were also sold off indiscriminately under panic. The Index was down 7.5% this month and erased all gains made in 2018. Liquidity was thin as buyers vanished. The confluence of several factors - tightening global liquidity, rebound of Vietnamese government bond yields, and new domestic big listings (VHM and TCB) sucking up cash - contributed to profit taking activities, the magnitude of May plunge was exaggerated by rapid cutting of margin lending. PYN Elite NAV declined 4.2% in May. The decline was mitigated by a weak Euro.

One brokerage house estimates that during 3 weeks of 7th-28th May, the whole market cut margin lending by \$351 million (9% of trading value during the period). However, total margin lending is around \$1.9bn, or only 1% of total market cap. Even though sudden change of margin level magnified the market volatility in the very short time, stock prices should revert to fundamental value over long term as fundamental investors are in command for the whole market.

Vietnam fundamentals remain solid: 5M2018 retail sales +10.8%, export +15.8%, IIP +9.7%. PMI rose to 53.9 in May from 52.7 in April. Foreign reserve hit new high of \$64 billion. 400 listed companies set average net profit growth target of 27% YoY for 2018 at their AGMs. Vietnam won a sovereign rating upgrade from Fitch Ratings.

Banks currently account for 15.4% of PYN Elite's portfolio. We are bullish on the modern-managed, retail-focused and technology-empowered banks. In 1Q2018, the 3 large-size state-owned commercial banks (SOCBs) posted a 29% YoY NP growth, while the 9 joint stock commercial banks (JSCBs) reported a stellar 116% YoY NP growth. The divergent performance will remain in the coming years, as JSCBs focuses on retail lending (i.e.: low market penetration, fast growth and low risks business), are little influenced by lending policy and less burdened by legacy of NPL problems. The 3 SOCB set 2018 profit growth target of mere 8% YoY, while 9 JSCB's targets are more ambitious at 55% YoY. Despite the fundamental difference, quality banks were sold off heavily in the past two months, and valuations became very attractive for certain banks again.

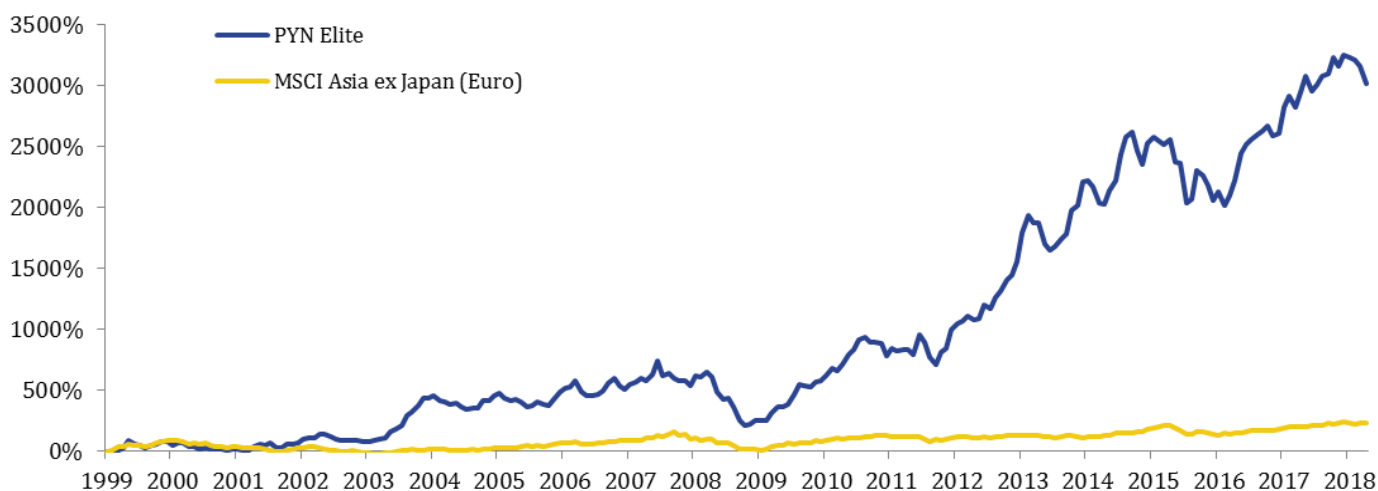
Top Holdings

1. Mobile World	13.4 %	7. PAN	5.1 %
2. TP Bank	8.3 %	8. VCG	4.8 %
3. Hoa Binh	7.0 %	9. VN Direct	3.7 %
4. CII	6.8 %	10. CEO	3.5 %
5. HD Bank	6.4 %	11. Nam Long	3.4 %
6. Khang Dien	5.9 %	12. AAA	2.2 %

Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	2.8%	-0.4%	-0.8%	-1.5%	-4.2%								-4.1%
2017	0.9%	8.0%	3.0%	-2.8%	4.1%	4.5%	-4.0%	1.6%	2.5%	0.5%	4.2%	-2.3%	21.2%
2016	-5.4%	3.5%	-5.0%	3.5%	5.9%	9.7%	2.6%	1.7%	1.3%	1.3%	1.4%	-3.0%	17.8%
2015	6.8%	2.3%	-1.3%	-1.1%	1.7%	-6.9%	-0.7%	-13.0%	1.3%	10.9%	-1.8%	-3.4%	-7.2%
2014	9.2%	0.7%	-2.4%	-5.5%	-0.5%	4.9%	3.8%	9.1%	5.7%	1.5%	-5.7%	-4.1%	16.2%
2013	7.8%	13.9%	7.4%	-3.0%	0.3%	-8.8%	-3.2%	1.9%	3.6%	2.3%	10.1%	1.8%	36.9%
2012	17.0%	4.5%	1.6%	3.7%	-2.9%	1.0%	9.6%	-2.4%	7.0%	4.0%	6.1%	2.8%	64.0%
2011	-9.6%	6.2%	-1.9%	1.4%	0.1%	-4.4%	17.1%	-4.9%	-12.6%	-6.8%	12.7%	2.5%	-4.3%
2010	1.2%	5.9%	8.5%	-1.7%	6.1%	10.3%	4.7%	8.0%	2.5%	-3.9%	-0.2%	-1.2%	46.7%

Cumulative Return since Inception vs Index



Contact

PYN Fund Management Ltd	(09) 270 70400	info@pyn.fi
Fund Manager	Petri Deryng	petri.deryng@pyn.fi
Analyst	Maggie Yi	maggie.yi@pynasiaresearch.com
Analyst	Mai Le	mai.le@pynasiaresearch.com
Analyst	Ly Tran	ly.tran@pynasiaresearch.com
Marketing / Customer Service	Päivi Kumpulainen	paivi.kumpulainen@pyn.fi

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