

PYN Elite Monthly Review - November 2018

Fund Information

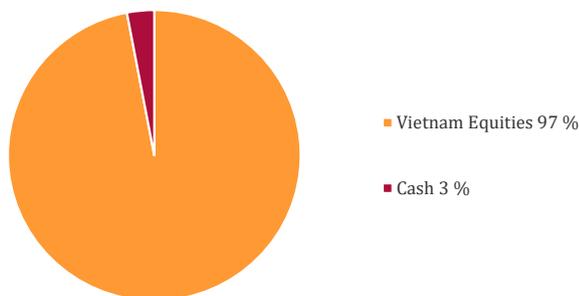
Fund Focus	Asia ex Japan
Market Focus	Vietnam
ISIN	FI0008803812
Bloomberg	ELITE FH
Subscription / Redemption fee	0%*
Management fee	1%
Performance-based fee, HWM	12%
Current HWM (31 January 2018)	325.362 EUR

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

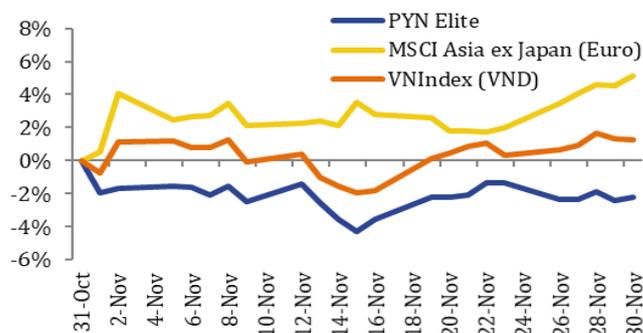
Fund Performance per 30.11.2018

Net Asset Value (NAV) per Unit	282.227 EUR
Assets under Management	387 mil. EUR
Change Month-on-Month	-2.2%
Change Year-to-date	-10.8%
Change since Inception (Feb 1999)	2 722.3%
Annualized Return since Inception	18.3%
Next Subscription Date	31.12.2018
Contact Email	info@pyn.fi

Allocation of PYN Elite



Fund Return vs Index



Comments

By end Nov, VN Index has lost -23% from its peak in April, while PYN Elite has declined -16%. Bank Sector has lost on average -35% from its peak. The underperformance was mainly due to the credit growth had been capped for this year by SBV.

I just paid a visit to 10+ banks and consumer finance companies in Vietnam. Since earlier prudent measurements, in November inflation took some pressure off and SBV granted additional 1-6% credit growth quota to many banks after consideration of each bank's capital strength, loan size, and merger history. State banks and weak banks didn't get quota top-up. Most banks consider macro environment favorable. Banks are optimistic on fee income in the following years, guiding a 20-40% YoY growth. Banks are also on track of adopting Basel II and meeting other requirements by SBV.

Consumer finance (CF): after a sloppy 2018, companies estimate the sector growth will be revived to 20%-25% in 2019. While some companies got into trouble by venturing into risky cash loan aggressively, the risk is contained at a product level. HD Bank holds a strong position in the safe traditional CF lending (loan for electronic products and motorbikes). Leading sell-side analysts recently changed their view and consider HD Saison's business model superior than its peers. TP Bank has strong and solid position in car leasing.

Vinaconex - VCG - achieved a milestone in November. The long-awaited state divestment was very successful: SCIC sold their whole 58% stake via auction with winning bidding price 28,900/share (56% higher than then market price). The sales proceeds had been paid in full. Viettel divested their 21% stake in VCG at price 21,300/share. The auction drew wide media coverage to VCG's hidden assets and growth potential. Our fund has 7.5% stake in VCG and is the only sizeable foreign shareholder in VCG currently. Therefore, our stake has attracted interests from local investors.

Macro: Vietnam PMI marks strongest growth to 56.5 in November. Retail sales +12.2%, IIP +10.1%, foreign tourists +21.3%. PM estimates full year GDP growth to be 7%, exceeding government target of 6.8%.

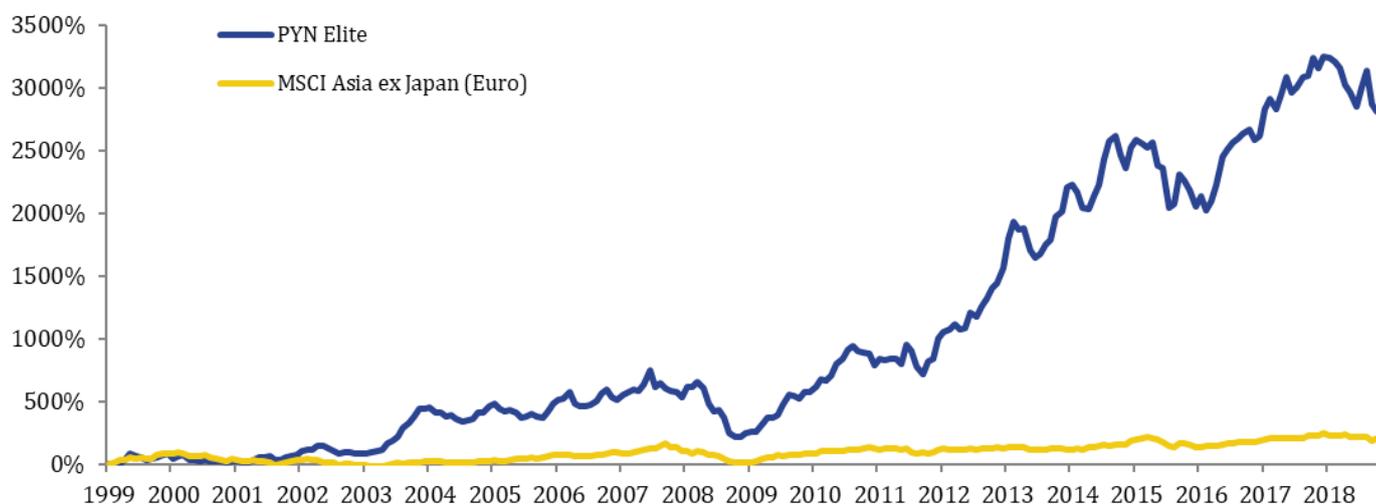
Top Holdings

1. Mobile World	15.8 %	7. Khang Dien	4.6 %
2. TP Bank	8.2 %	8. VN Direct	4.0 %
3. HD Bank	6.6 %	9. Nam Long	4.0 %
4. VCG	6.0 %	10. PAN	3.8 %
5. CII	6.0 %	11. CEO	2.8 %
6. Hoa Binh	5.4 %	12. Fecon	2.7 %

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%	-2.1%	-3.7%	5.4%	4.2%	-8.1%	-2.2%		-10.8%
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



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