

PYN Elite Monthly Review - January 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

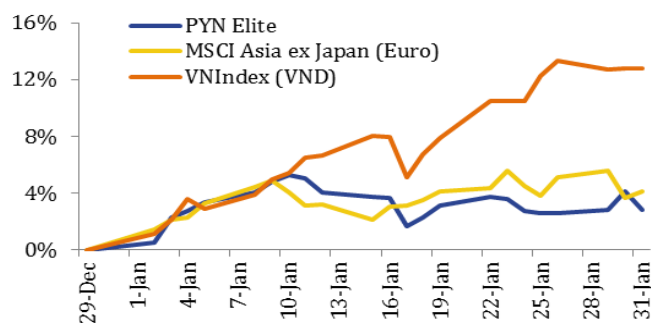
Fund Performance per 31.01.2018

Net Asset Value (NAV) per Unit	325.362 EUR
Assets under Management	445 mil. EUR
Change Month-on-Month	2.8%
Change Year-to-date	2.8%
Change since Inception (Feb 1999)	3 153.6%
Annualized Return since Inception	20.1%
Next Subscription Date	28.02.2018
Contact Email	info@pyn.fi

Allocation of PYN Elite



Fund Return vs Index



Comments

VN Index jumped 12.8% to close at 1,110 in January, following strong flows of foreign capital into Vietnamese market, but the funds only poured into big cap VN30 stocks, especially large banking and resource stocks. Vietnam is ranked 3rd among most performing markets in the world with average daily trading value of USD 419 mil, up 49% compared to last December. Market actions are currently very divided; while big caps gain, mid caps are paralysed despite good results reporting.

PYN Elite NAV gained only 2.8%, mainly because the EUR/VND exchange rate got strengthened 3.5% MoM, which has weakened our performance; and our top holding MWG took a breather regardless robust 4Q2017 result. While listed banks are rallying, our investment into non-listed TP Bank (7% in our portfolio) is valued at cost as it will list later this spring. In total, our portfolio consists of 39% big caps, 48% mid caps and 13% small caps. Small and mid caps have been overlooked by market in the past few months although many of them have had outstanding business performance. PYN Elite has historically underperformed its peer index in 5 consecutive months once before and this January marks a touch on the old record of its underperformance of 5 months in a row.

MWG posted impressive 2017 full year figures in which revenue reached USD 2.9 bn (+49% YoY) and net profit reached USD 97 mil (+40% YoY). Management preliminarily guided that top line would increase to USD 3.9 bn and bottom line would grow 18% YoY in 2018. Their position in mobile phone retail business is unrivalled with 48% market share; meanwhile the successful acquisition of Tran Anh Digital brings their CE market share up to 30%. After two years testing, MWG will accelerate the grocery channel and triple their number of stores in Ho Chi Minh City by end of this year before expanding to other provinces in 2019.

The coming launch of covered warrants at end of March will provide investors with the opportunities to access to full-foreign room stocks and control risk more effectively; thus, it is expected to boost market liquidity further. On macro side, the Nikkei PMI for Vietnam hit the 9-month high of 53.4 in January, indicating strong manufacturing expansion in output, new orders and employment. Domestic consumption continued to rise with retail sales rose 9.5% YoY, while the number of international tourists to Vietnam increased significantly 42% YoY to reach 1.4 mil.

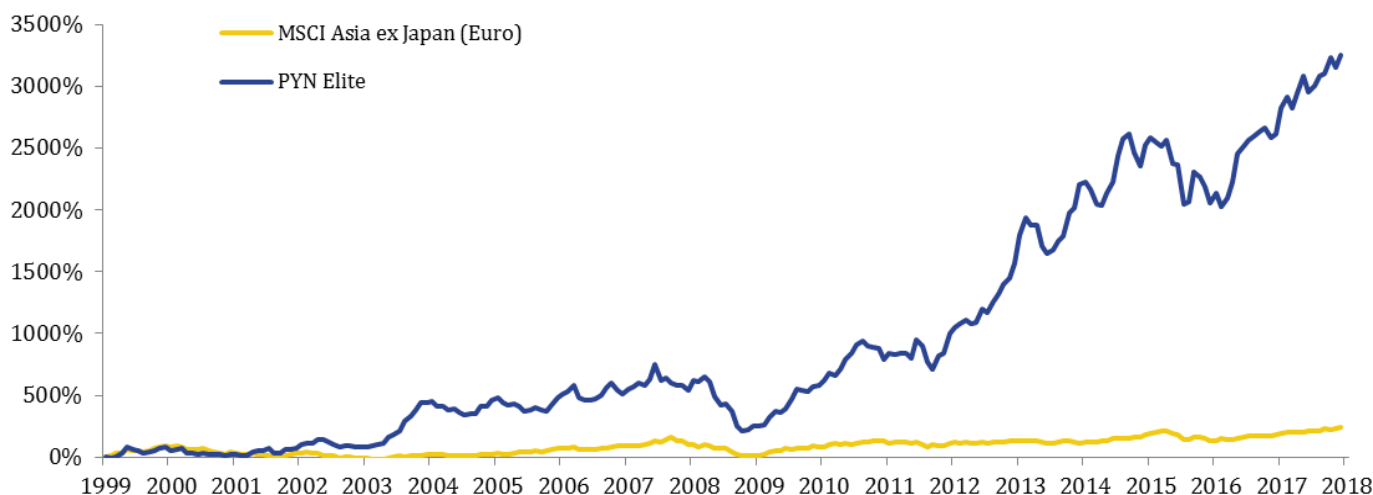
Top Holdings

1. Mobile World	14.3 %	7. VN Direct	4.0 %
2. CII	7.5 %	8. HD Bank	3.9 %
3. Hoa Binh	7.5 %	9. PAN	3.9 %
4. TP Bank	6.7 %	10. Nam Long	2.9 %
5. Khang Dien	5.5 %	11. HUT	2.4 %
6. VCG	4.3%	12. Fecon	2.4 %

Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	2.8%												2.8%
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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