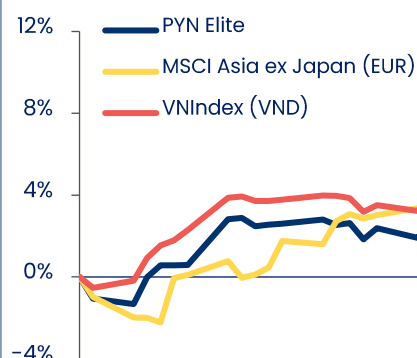




Lan Nguyen
Portfolio Team

PYN Elite NAV +6.8% in October, supported by gains in NLG, VHM and TPB. The VN Index rallied past 1,400 to reach a new ATH of 1,444, making Vietnam one of the best-performing markets globally with gains of +7.6% MoM and +30.8% YTD. Sentiment was bolstered by broad reopening and accelerated vaccination rate, coupled with better-than-expected Q3 results and the newly proposed stimulus package. Despite new ATH, VN Index traded at an undemanding forward 2022 P/E of 13.6 with a strong earnings growth outlook. Daily liquidity stayed high at €1.0 bn, with most brokers reporting surging new money inflows from local investors.

October performance 6.8%



October macro data

Most of the economic activities have been allowed to resume operations across the country, as the government wisely changed its strategy from “zero COVID” to “live safely with COVID”. The recovery is accelerating, with industrial production +6.9% MoM and retail sales +18.1% MoM. PMI surged to 52.1 as new orders rose and business confidence improved. Vietnam has received 109 million vaccine doses to date, and has been able to vaccinate 58.4% of its population. Government proposed in October a largest-ever \$35 bn stimulus package (10% of GDP) which, if approved, is expected to boost Vietnam’s GDP growth by 1% p.a. in 2021-2025 period.

Key macro

PMI	Retail Sales
52.1	+18.1%
58.4%	
Vaccinated at least 1 dose	

PYN Elite stock of the month: VHM

Our top holding VHM surprised the market as it reported +88% YoY growth in Q3 earnings thanks to sustained bulk sales and on-schedule delivery, despite the lockdown. In October, the real estate sector (ex-VHM) enjoyed an 18% MoM rally on the proposed stimulus package, while VHM (+9.2% MoM) is a little behind. However, this temporary underperformance leaves enormous upside for the stock: Despite its large size, all of VHM’s valuations are now more attractive than the rest, while its unrivaled landbank of 16,200 ha can provide sustainable earnings growth of 15-20% p.a. for at least the next 3-5 years, per our estimates.

VHM valuation is attractive

	P/E (F)	ROE	Net D/E
VHM	9.8	35%	14%
Developers	21.8	13%	43%

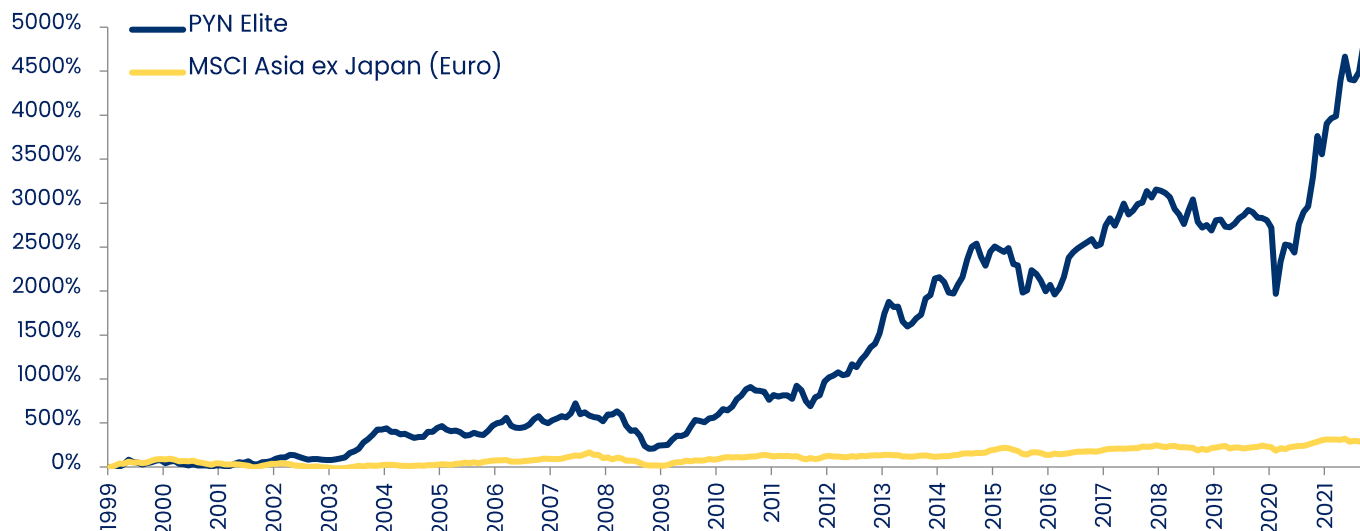
TOP HOLDINGS

1. Vinhomes	19.7%	6. VEAM	8.5%
2. TP Bank	12.1%	7. HD Bank	8.2%
3. Vietinbank	9.7%	8. Airports of Vietnam	7.2%
4. Vincom Retail	9.3%	9. Nam Long	5.6%
5. MB Bank	8.8%	10. C.E.O Group	2.3%

TOP AND BOTTOM MOVERS

↑ Nam Long	+38.3%
↑ C.E.O Group	+19.4%
↑ Vinhomes	+9.2%
↓ HD Bank	-0.6%
↓ Saigon Cargo	-1.8%

CUMULATIVE RETURN SINCE INCEPTION VS INDEX



MONTHLY AND YEARLY RETURNS (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021	-5.39	9.57	1.41	0.65	9.87	6.12	-5.47	-0.19	2.07	6.80			26.90
2020	-0.90	-2.79	-26.78	17.91	7.86	-0.46	-3.06	12.76	4.90	1.99	11.00	13.71	31.82
2019	-2.18	4.18	0.32	-2.83	-0.15	1.32	2.22	1.27	1.90	-0.89	-2.01	-0.13	2.83
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	7.34	-3.02	0.33	-8.84	-3.20	1.86	3.57	2.31	10.14	1.81	36.92
2012	17.05	4.50	2.06	3.18	-2.89	1.04	9.60	-2.41	7.00	4.00	6.12	2.76	64.03

PERFORMANCE

PER 29.10.2021

YTD	+26.90%
12 months	+60.17%
10 years, p.a.	+19.99%
Since inception, p.a.	+18.66%
Cumulative return	+4 802.51%
NAV	490.251€
AUM	767.6M€
HWM	490.251€

Next subscription date 30.11.2021

BASIC FACTS

PYN Elite Fund (non-UCITS)

Fund focus	Asia ex Japan
Market focus	Vietnam
ISIN	FI0008803812
Bloomberg	ELITE FH
Management fee	1.0%
Performance fee	12.0% HWM
Subs. / Red. fee	0.0%* / 0.0%
Email	info@pyn.fi
Phone	+358 9 270 70400
Portfolio Manager	petri.deryng@pyn.fi
Investor Relations	kari.raisanen@pyn.fi

*Subscription fee 5% applies for subscriptions over 6 million euros.

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