

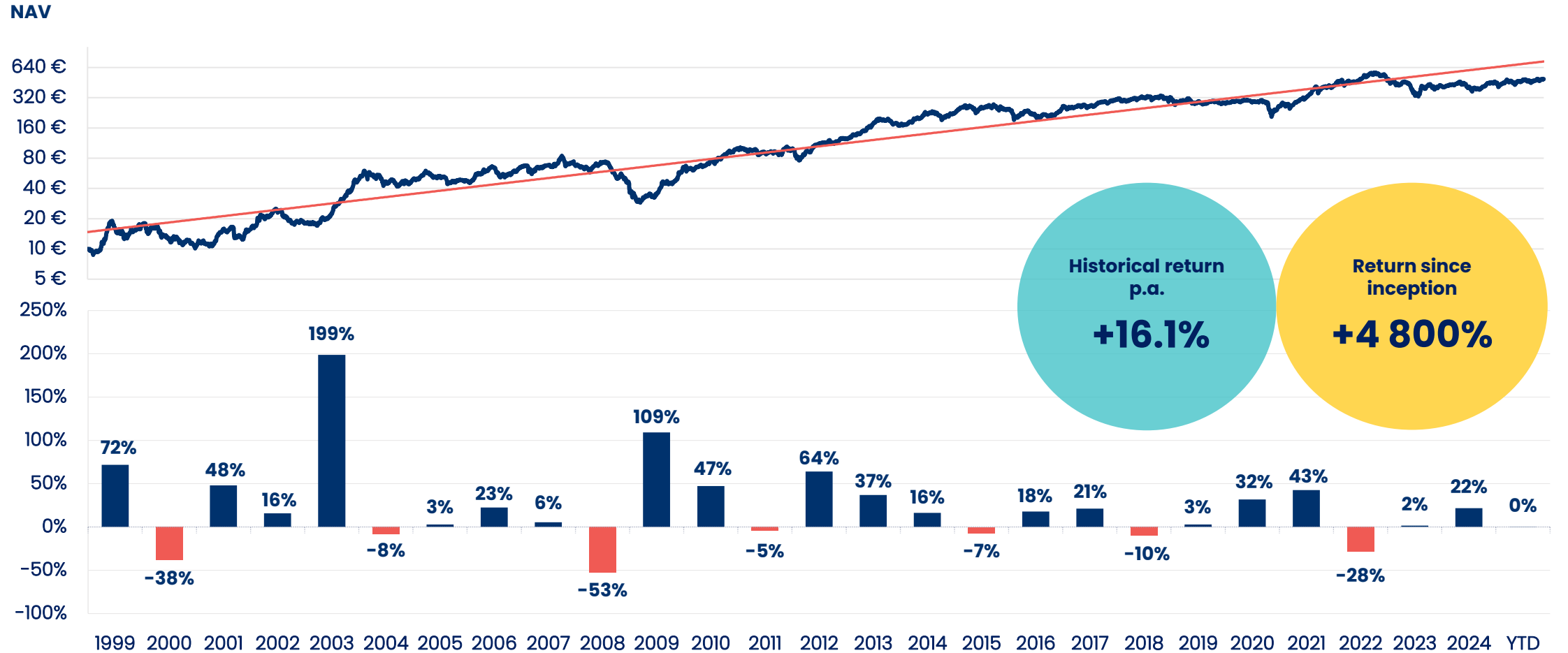


**PYN ELITE**

Vietnam – Unstoppable growth ahead

February 2025

# PYN Elite has excellent track record



Per 10.02.2025 Source: PYN Fund Management

The PYN Elite Fund was established in February 1999 when the NAV value was ten euros. Since then, its value has increased by 48-fold. The annual return is now at 16.1 percent. PYN Elite has recorded top returns among all the funds in Finland.

# PYN Elite has a distinctive investment strategy

## Fund

### PYN Elite is

- Long term
- Actively managed
- Long-only
- Asia, currently Vietnam focused allocation

## Markets

### We invest in

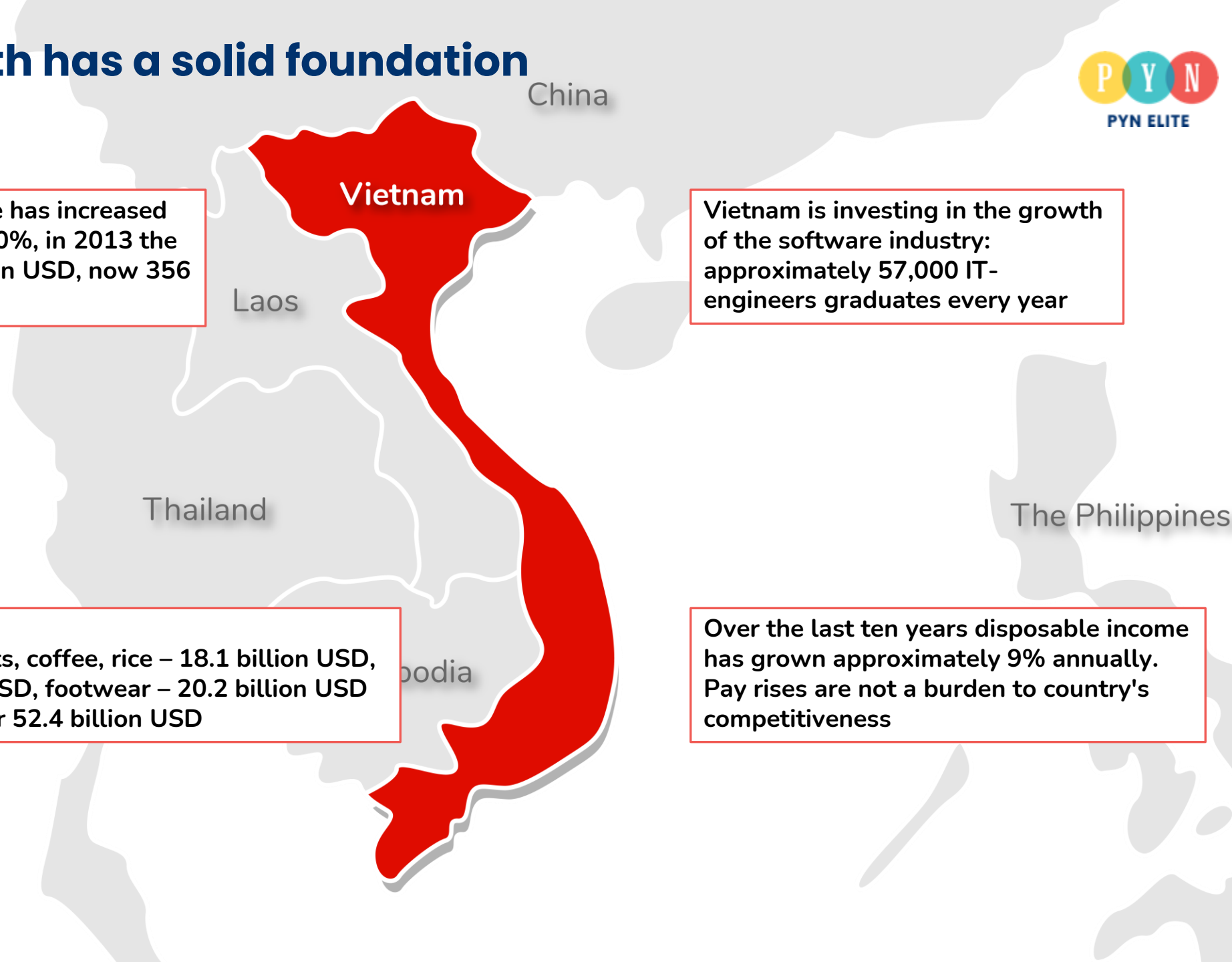
- Underperforming or undervalued markets in comparison to markets' historical fair valuation
- Improving macroeconomic/demographic trends
- Industries and companies that are overlooked, contrarian and correction potential on valuation of share

## Research

### Key Characteristics

- Regular company visits by portfolio manager and research team
- Long term undervalue entry levels and fair value exit targets
- Deep fundamental research and modeling

# Vietnam's growth has a solid foundation



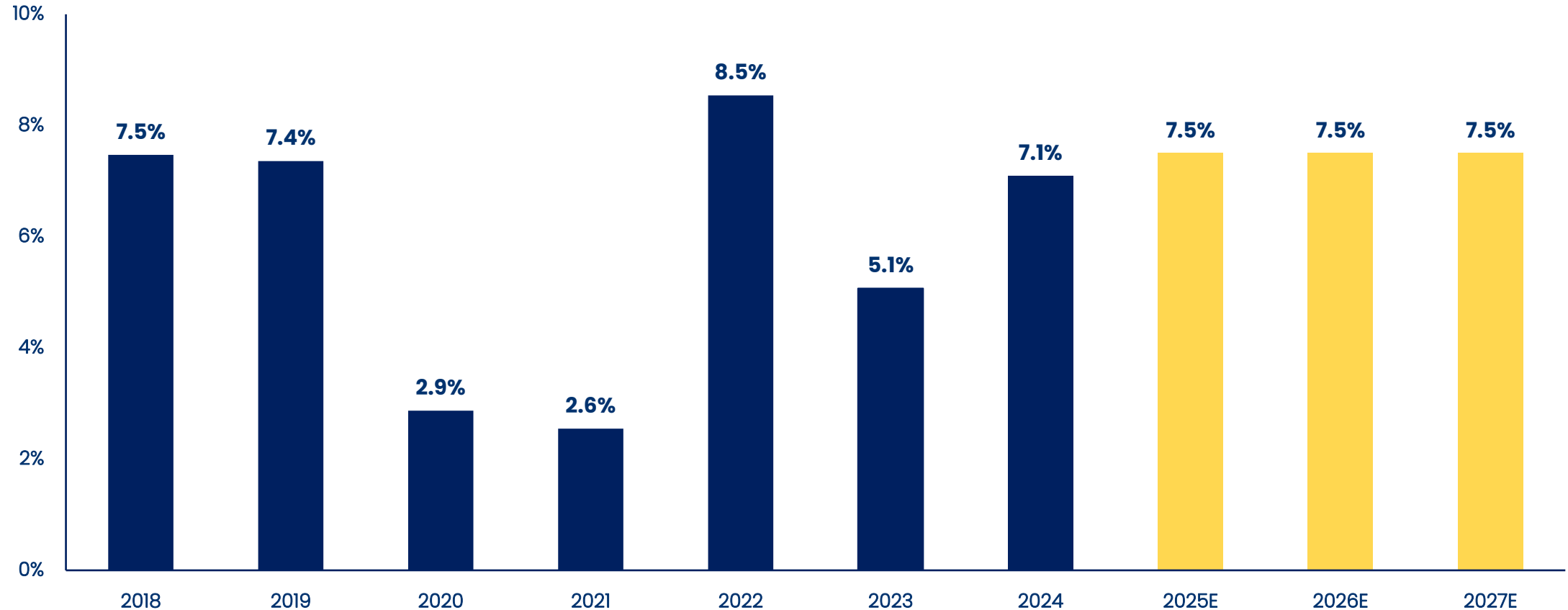
Vietnam's share of world trade has increased in ten years from 0.70% to 1.50%, in 2013 the value of exports was 132 billion USD, now 356 billion USD

Vietnam is investing in the growth of the software industry: approximately 57,000 IT-engineers graduates every year

Diversified exports:  
Fruit & vegetables, cashew nuts, coffee, rice – 18.1 billion USD,  
fishery products – 9.0 billion USD, footwear – 20.2 billion USD  
and phones and accessories for 52.4 billion USD

Over the last ten years disposable income has grown approximately 9% annually. Pay rises are not a burden to country's competitiveness

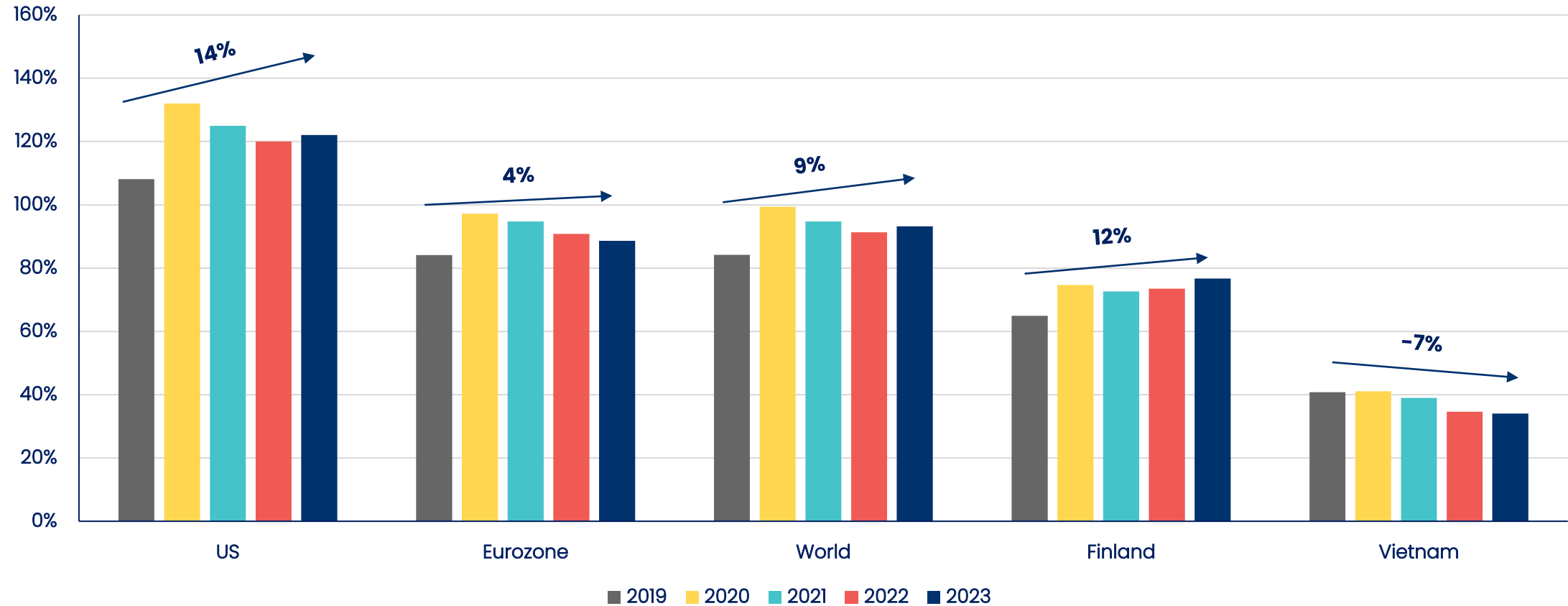
# New political regime geared for strong GDP growth



Source: GSO VN, PYN Fund Management

Vietnam's GDP recorded robust growth of 7.1% in 2024. The country's new regime has demonstrated a strong commitment to further stimulate growth through new infrastructure investments. In the coming years, annual growth could remain in the range of 7-8%.

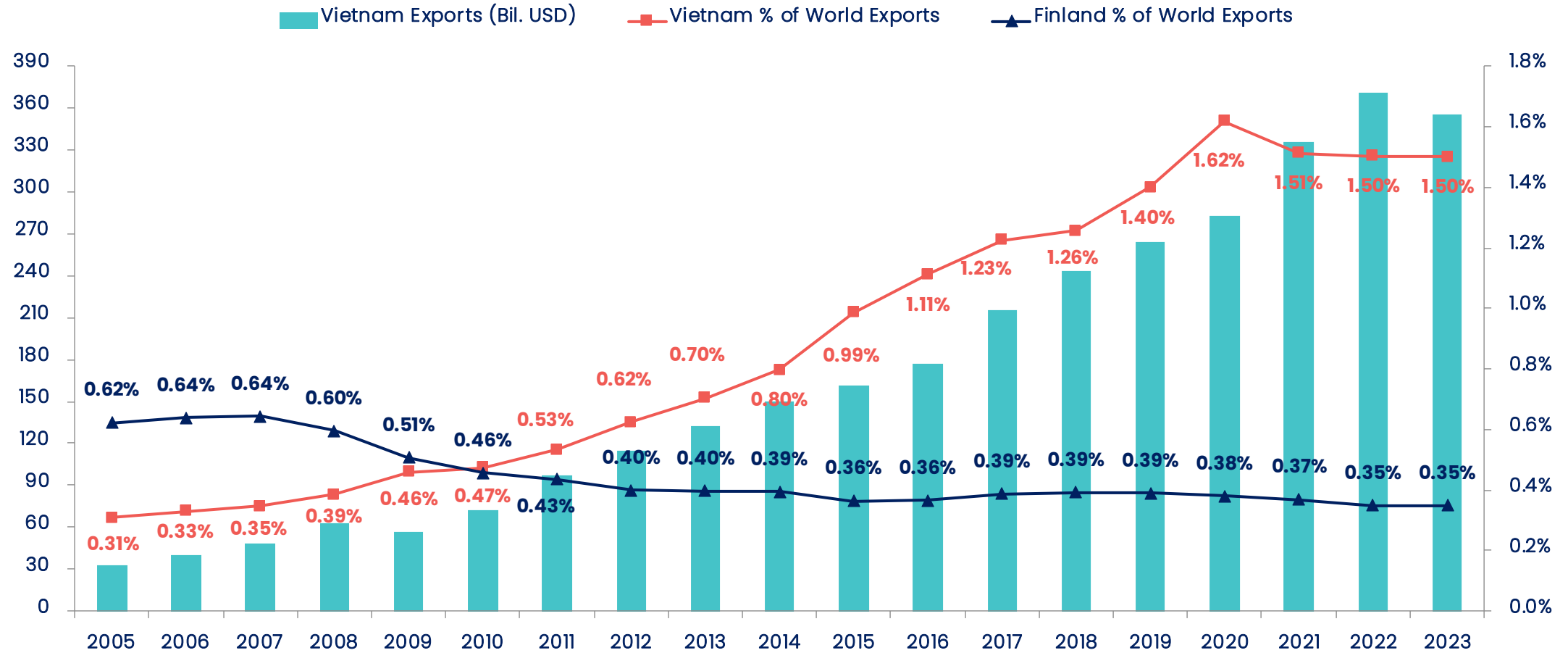
# Government debt/GDP – Vietnam at low risk ratio



Source: IMF

Vietnam's financial position is very firm and government debt/GDP is rather modest at 34%. Vietnam could easily boost its economic growth with new public megaprojects.

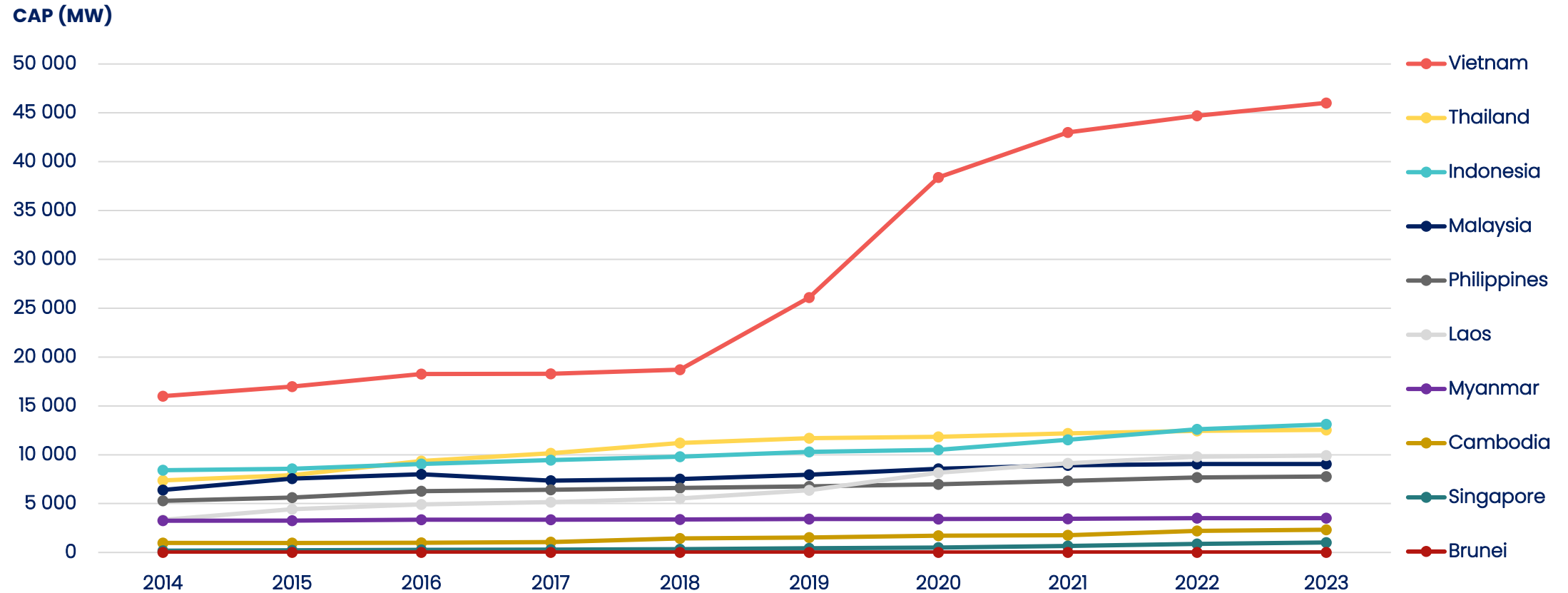
# Vietnamese exports are competitive



Source: IMF DOTS

In recent years Vietnam has attracted a huge amount of foreign direct investments. The competitiveness of the country's industries has been on an astonishing level for a long time, and Vietnam has been constantly gaining market share in foreign trade from other countries.

# Vietnam - a leader in renewable energy investments

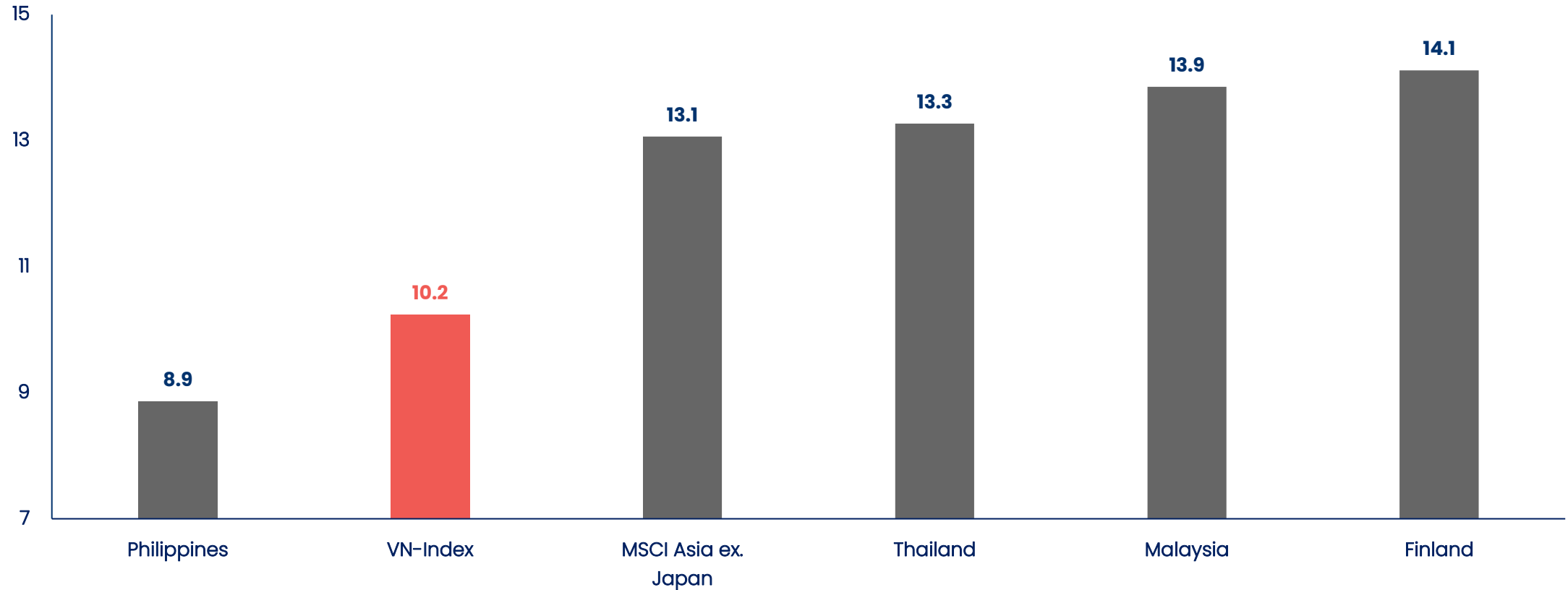


Source: IRENA

Vietnam invests in the future! Vietnam has introduced attractive solar and wind power tariffs to joint investors and execution of several projects has taken place.



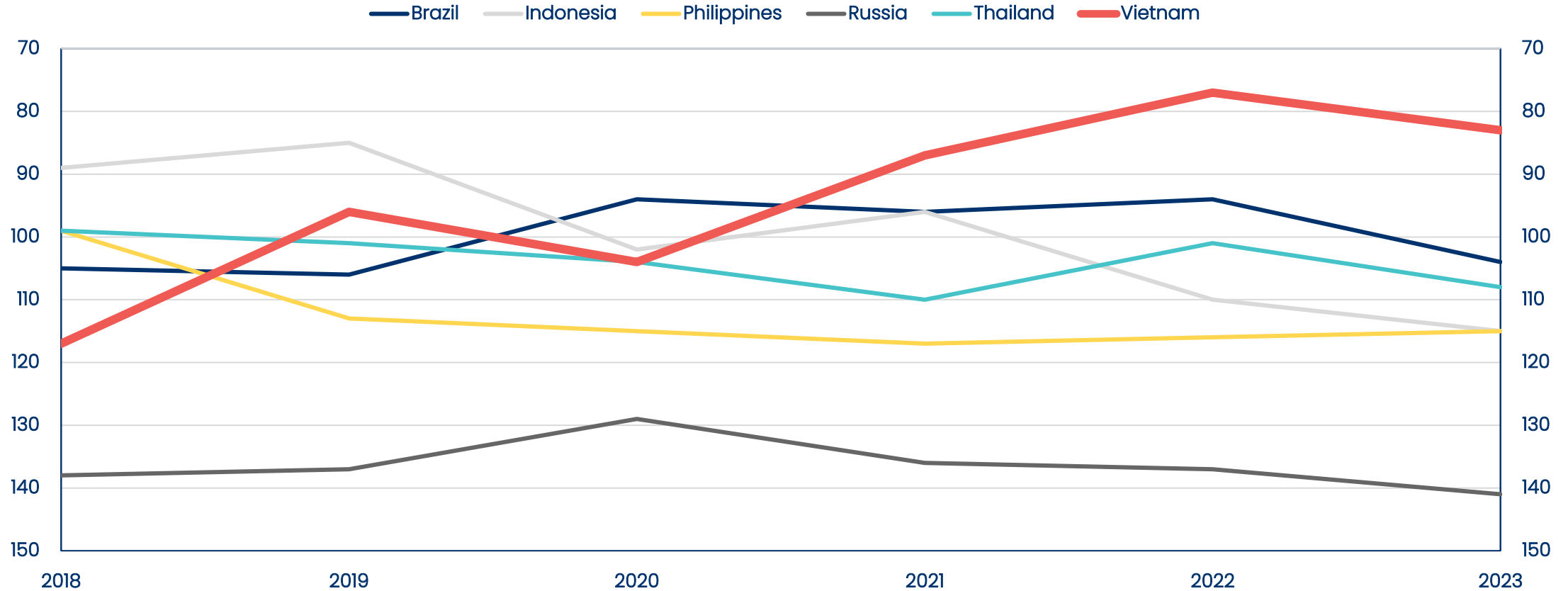
# The market offers attractively priced shares



Per 10.02.2025, Source: Bloomberg

The VN-Index trades at P/E 10.2 for 2025 forward earnings. Outlook for earnings growth for the next 3 years is relatively strong in Vietnam.

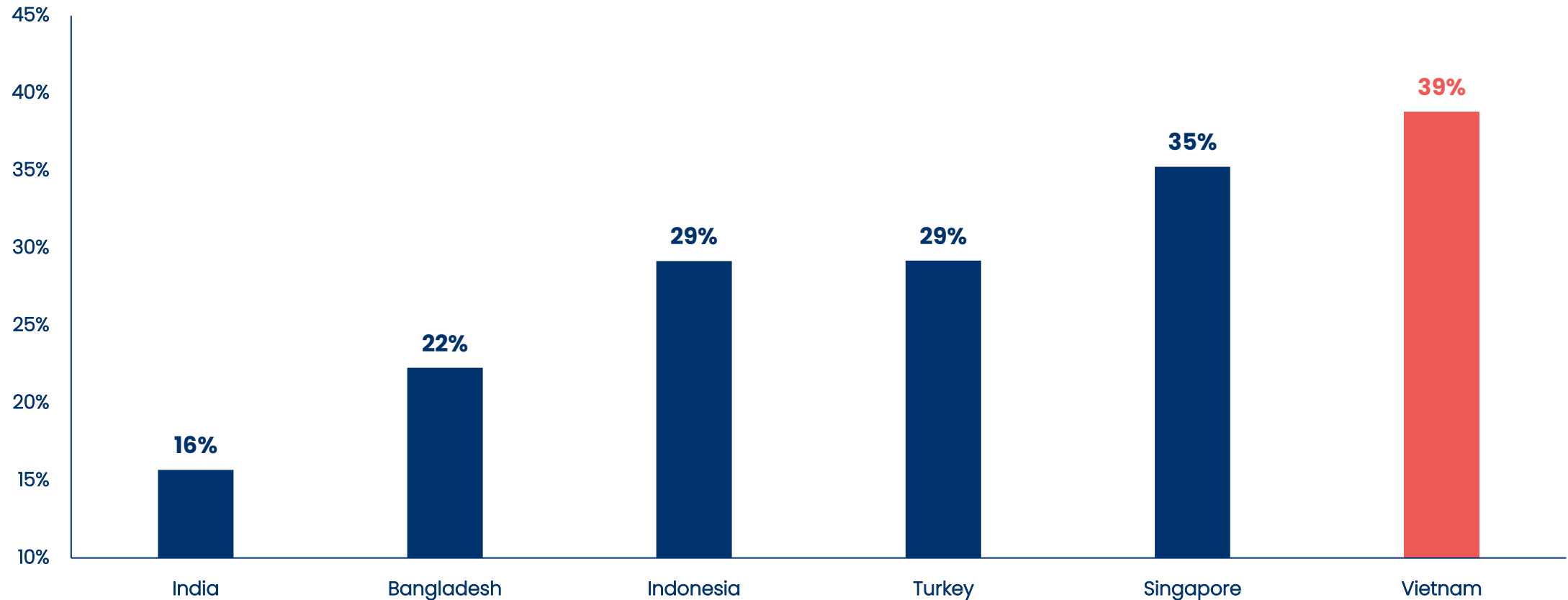
# Vietnam improving gradually in global corruption ranking



Source: Transparency International

Vietnam's most recent ranking in Transparency International's Corruption Perceptions Index (CPI) is 83 (improved 34 ranks in 5 years). We observe a lot of similarities in Vietnam what path another small and poor Asian nation took in the past, Singapore: One ruling party, Open trade policy, favorable FDI terms, pro-education, firm rule of law, constant long-term aim to raise GPD/capita to top levels in future.

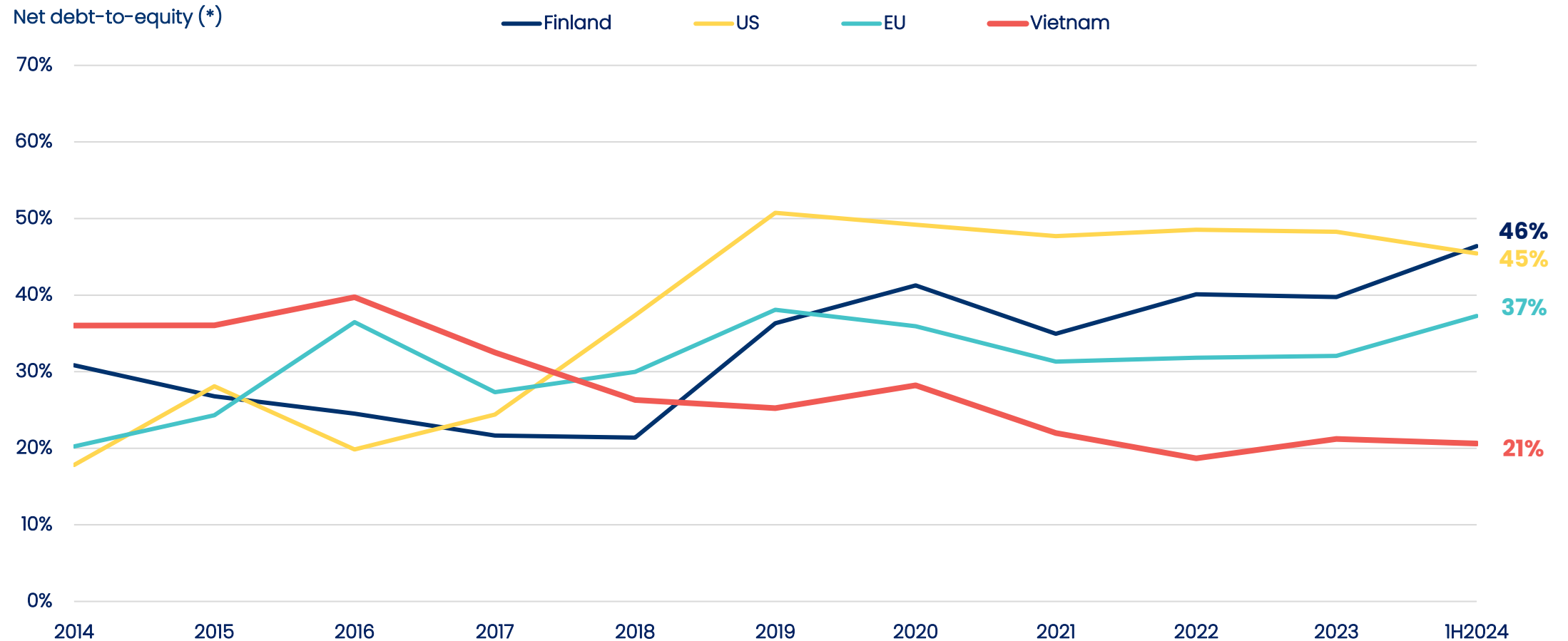
# Women's share of total labor income



Source: World Inequality Database  
2023 data

Vietnam has a remarkable number of well-educated women working in high positions. The data in the table shows Vietnam's good equality in male/female income levels. It puts Vietnam on a promising path to progress in the future as a fast-growing nation.

# Vietnamese listed companies' D/E ratios are low

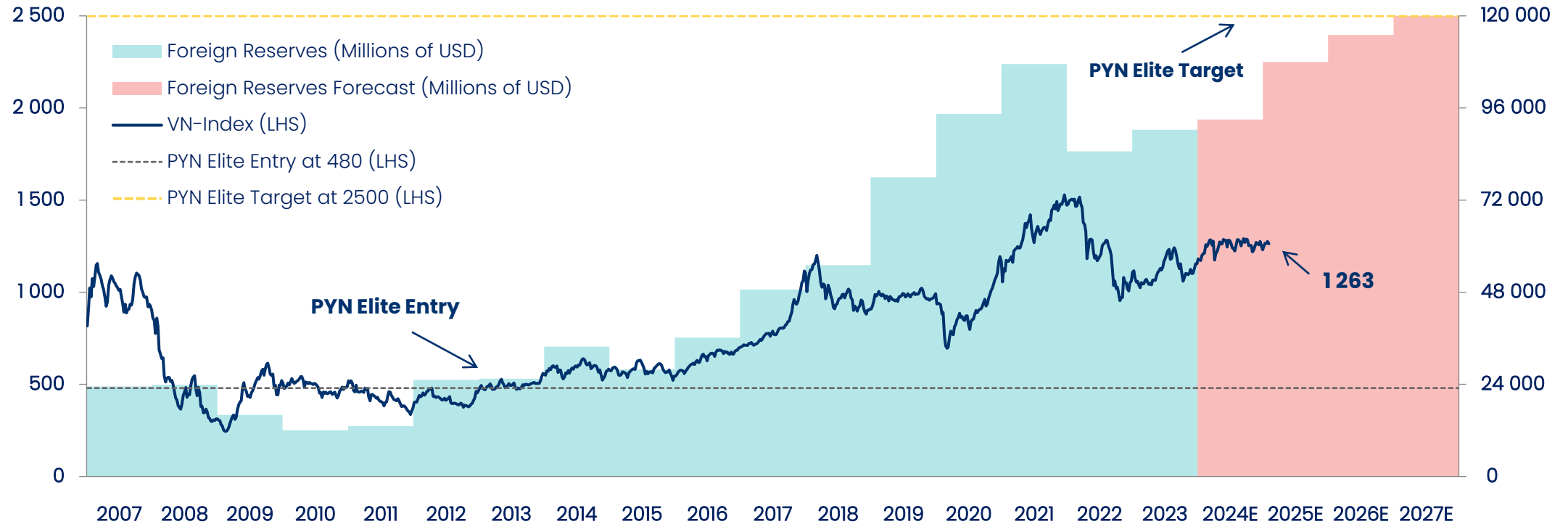


(\*) Figures are excluding banks

Source: Bloomberg, FiinPro, PYN Fund Management

The 50 largest listed companies and their net debt-to-equity in comparison. Thanks to their light debt burden, Vietnamese businesses can continue to grow strongly, even if the capital markets face more challenges in the coming years.

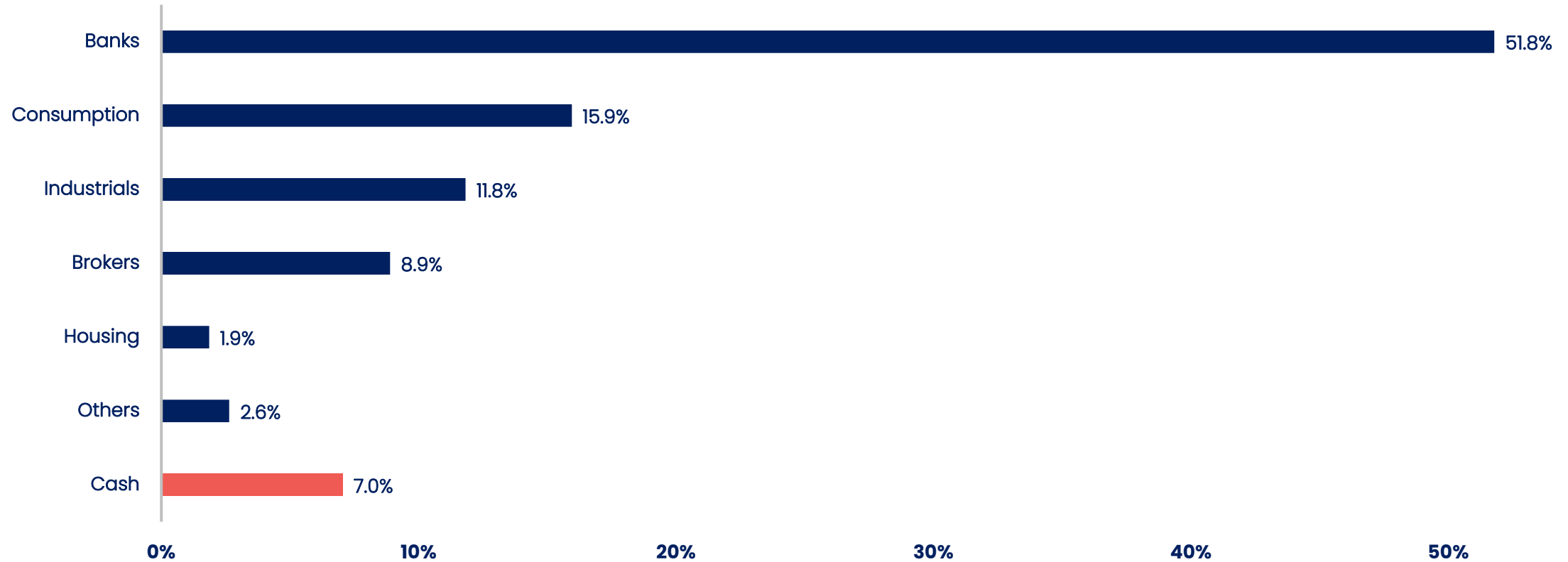
# PYN Elite target for VN-Index: 2 500 level



VNIndex per 10.02.2025 Source: Bloomberg, PYN Fund Management

During the years of PYN Elite investing in Vietnam, the country risk has been moderating, as Forex reserves have been accumulating. Lowered risk factors allow higher multiples for the stock market. We can expect earnings to grow 15-20% annually in the coming years. Based on this earnings growth and a fair market P/E of 16, we end up setting our target for VN-Index at 2 500.






# Banks play a big role in PYN Elite's portfolio



Per 10.02.2025, Source: PYN Fund Management






We believe in Vietnamese banks. The Central Bank of Vietnam has controlled the sector with strict measures to avoid overheating, which will protect the banking sector from a boom and bust scenario. Banks businesses have two strong pillars for their earnings growth: Fee income and interest income. New fees and loan growth both have brisk future potential for the banks in Vietnam.

# PYN Elite top holdings

	<p>Sacombank is the 6th largest bank by loans, and 4th largest by branches. Thanks to its large network and affluent customer base, its bancassurance performance ranks top 3. Sacombank has been bearing a large burden of non-performing assets (NPA) inherited from the financial crisis a decade ago. It finished booking provisions for these NPAs in 2023, and its growth and profitability will return to normal in coming years. Sacombank plans to auction 32.3% of STB shares which are currently used as collateral for the debt at VAMC, which can bring significant recovery gains for shareholders.</p>	<p>Revenue growth 14.4%            Net profit growth 32.7%            Revenue 2024 1 071            Net profit 2024 377</p>	<p>Market cap 2 768            Market cap target 6 500            Target valuation P/B 1.8            Upside potential 135%</p>
<p>Weight 20.7%</p>			
	<p>MBB is the 5th largest bank by balance sheet and has a full-fledged banking platform including retail/SME lending, insurance, and brokerage. MBB gained 26m new customers in the past 3 years, the fastest in Vietnam and other ASEAN countries, thanks to its superior digital platform and creative marketing campaigns. It is on track to be the No. 1 bank in Vietnam by number of customers.</p>	<p>Revenue growth 17.6%            Net profit growth 23.7%            Revenue 2024 2 069            Net profit 2024 845</p>	<p>Market cap 5 336            Market cap target 10 300            Target valuation P/B 2.0            Upside potential 93%</p>
<p>Weight 10.5%</p>			
	<p>ACV manages eight international and thirteen domestic airports in Vietnam. In the balance sheet, there is a huge valuation difference, because the investments made by the company are still at the acquisition prices. Covid-19-crisis enabled us to enter the stock at low levels. In upcoming years ACV will apply for HOSE-listing, and air traffic is expected to surpass pre-Covid peak soon.</p>	<p>Revenue growth 4.2%            Net profit growth 4.7%            Revenue 2024 842            Net profit 2024 385</p>	<p>Market cap 9 975            Market cap target 15 000            Target valuation P/RNAV 1.5            Upside potential 50%</p>
<p>Weight 10.0%</p>			
	<p>A small-sized bank, a pioneer in digital services. A key market share in car financing. Very popular among young customers. Major shareholders also include Japan's Softbank and Vietnam's leading IT technology company FPT. Can grow loan and fee income fast. The biggest challenge for the bank is the risk of unpredictable events.</p>	<p>Revenue growth 16.3%            Net profit growth 14.4%            Revenue 2024 673            Net profit 2024 227</p>	<p>Market cap 1 690            Market cap target 4 000            Target valuation P/B 1.8            Upside potential 137%</p>
<p>Weight 9.7%</p>			
	<p>CTG is the largest bank when measured by the number of branches and the second-largest by balance sheet in Vietnam. The major shareholders are the State Bank of Vietnam and MUFG Bank, the largest bank in Japan. Stock's rerating is on its way and will continue to boost the valuation.</p>	<p>Revenue growth 15.1%            Net profit growth 21.8%            Revenue 2024 3 058            Net profit 2024 946</p>	<p>Market cap 8 264            Market cap target 12 000            Target valuation P/B 1.7            Upside potential 45%</p>
<p>Weight 6.8%</p>			

All revenue and net profit growth figures CAGR % 2019-2024  
 All revenue, net profit and market value figures in millions of EUR

# PYN Elite top holdings

 <b>Vietnam Airlines</b> Weight 5.1%	<p>Vietnam Airlines (HVN) is the national flag carrier of Vietnam. The company owns many subsidiaries in the value chain of the industry, from ground services to cargo and jet fuel. HVN is the biggest full-service airline in Vietnam and the domestic market is exclusively for Vietnamese airlines only. The company delivered exceptional results in 2024, and we expect further positive developments going forward.</p>	Revenue growth 1.5% Net profit growth 24.0% Revenue 2024 3 949 Net profit 2024 257	Market cap 2 253 Market cap target 5 300 Target valuation P/E 20 Upside potential 135%
 <b>DNSE</b> Weight 4.2%	<p>DNSE is a commission-free online broker led by a tech-savvy management team. Thanks to advanced product offerings, it has seen significant growth since its inception. Currently, one out of every three new brokerage accounts opened in Vietnam is with DNSE. Their distinctive social media channel Bò và Gấu (Bull &amp; Bear) has successfully built brand awareness and customers' engagement.</p>	Revenue growth 113.0% Net profit growth N/A Revenue 2024 30 Net profit 2024 7	Market cap 311 Market cap target 650 Target valuation P/E 15 Upside potential 109%
 <b>OCB</b> <small>Ngân Hàng Phương Đông</small> Weight 3.7%	<p>OCB is a mid-sized bank focusing on SMEs and retail clients. Unlike other banks with chairmen involved in real estate, OCB's leadership is solely dedicated to banking, minimizing related party concerns. The bank's P/B dropped in 2022 due to poor government bond trading results, driven by high interest rates and the loss of key talent. In 2024, OCB appointed a respected banking veteran as the new CEO, who is expected to steer the bank towards better operations.</p>	Revenue growth 8.8% Net profit growth 4.2% Revenue 2024 376 Net profit 2024 119	Market cap 1 069 Market cap target 2 600 Target valuation P/B 1.8 Upside potential 143%
 <b>Vietcap</b> Weight 3.7%	<p>One of Vietnam's leading brokers, ranking #4 in total brokerage market share and #1 in institutional brokerage market share, backed by outstanding Research and Investment Banking capabilities. Strong management team with exceptional proprietary trading. Achieved sustained organic growth and top-tier ROEs for years. VCI is poised to benefit, should Vietnam get upgraded to Emerging Market by FTSE in 3Q25, especially after the removal of prefunding requirements in Nov-24.</p>	Revenue growth 19.1% Net profit growth* 22.0% Revenue 2024 138 Net profit 2024* 63	Market cap 949 Market cap target 1 950 Target valuation P/E 18 Upside potential 106%
 <b>VINH HOAN</b> Weight 3.5%	<p>VHC is Vietnam's largest fish exporter focused on pangasius fillets. VHC has been developing its circular economy model to maximize the value of the fish, with the outcome varying from simple frozen fillet to supplements. Under the transparent and innovative guidance from the management team, VHC has been gaining market share and holding No.1 position since 2010.</p>	Revenue growth 9.8% Net profit growth 0.9% Revenue 2023 468 Net profit 2023 46	Market cap 590 Market cap target 1000 Target valuation P/E 15 Upside potential 70%

All revenue and net profit growth figures CAGR % 2019-2024

All revenue, net profit and market value figures in millions of EUR

\*Total comprehensive income



# Market modernization outlook in Vietnam

## Vietnam in MSCI Index

### Current status

Vietnam's Frontier Markets Index weighting: 24.7% and the biggest in the Index.

### 2025-2027

Potentially enter Watchlist for Emerging Market.

### 2027-2028

Upgrade to Emerging Market status.

## Two issues need to be solved before Vietnam emerging market upgrade

### FOL

### Vietnam to rewrite the regulations aiming to two alternative solutions:

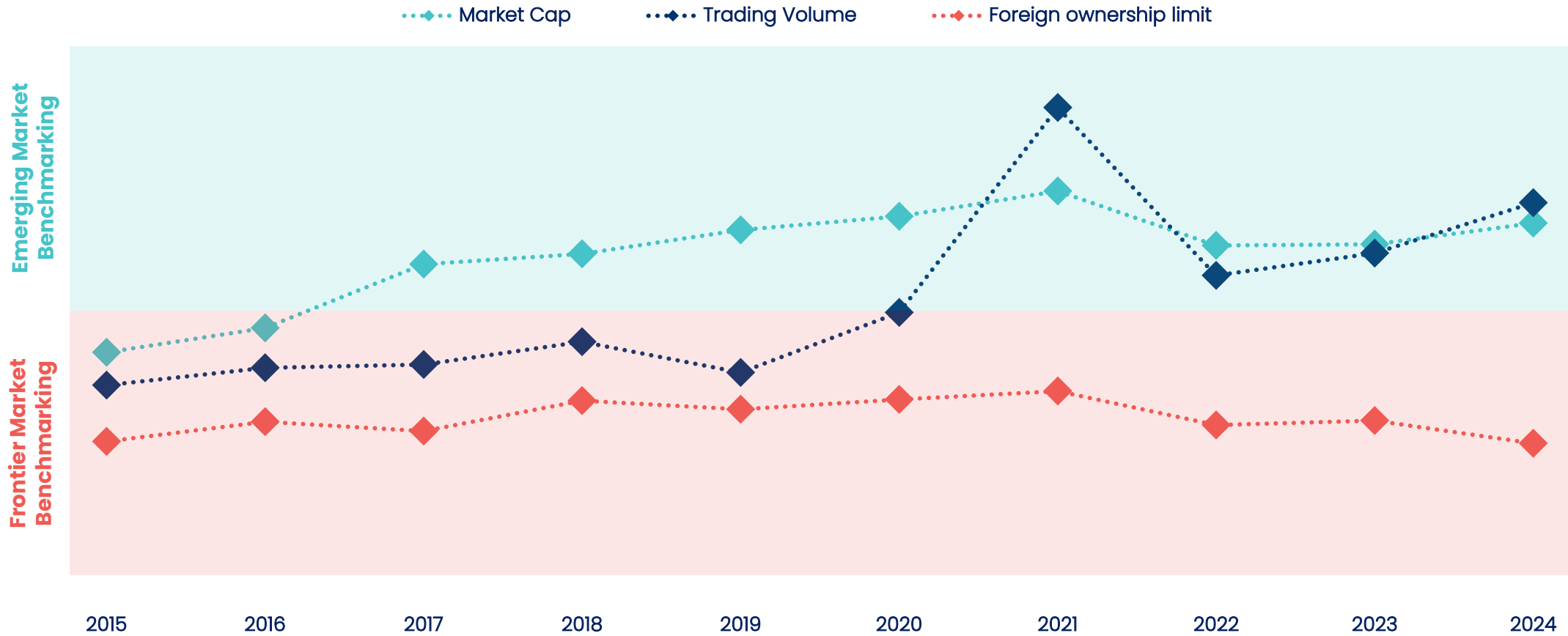
- Ease restriction on FOL by automatically lifting a 100% FOL in public companies, exception only for restricted businesses e.g. banks, defense, telecom related.
- Extend the definition of deposit receipt (DR) and the provisions on non-voting depositary receipt (NVDR).

### Pre-funding

### Establish a Central Counterparty (CCP) based clearing system for a platform to:

- Allow short sales and day trading.
- Trading without any deposit requirements was introduced in November 2024 to solve partially pre-funding issue.

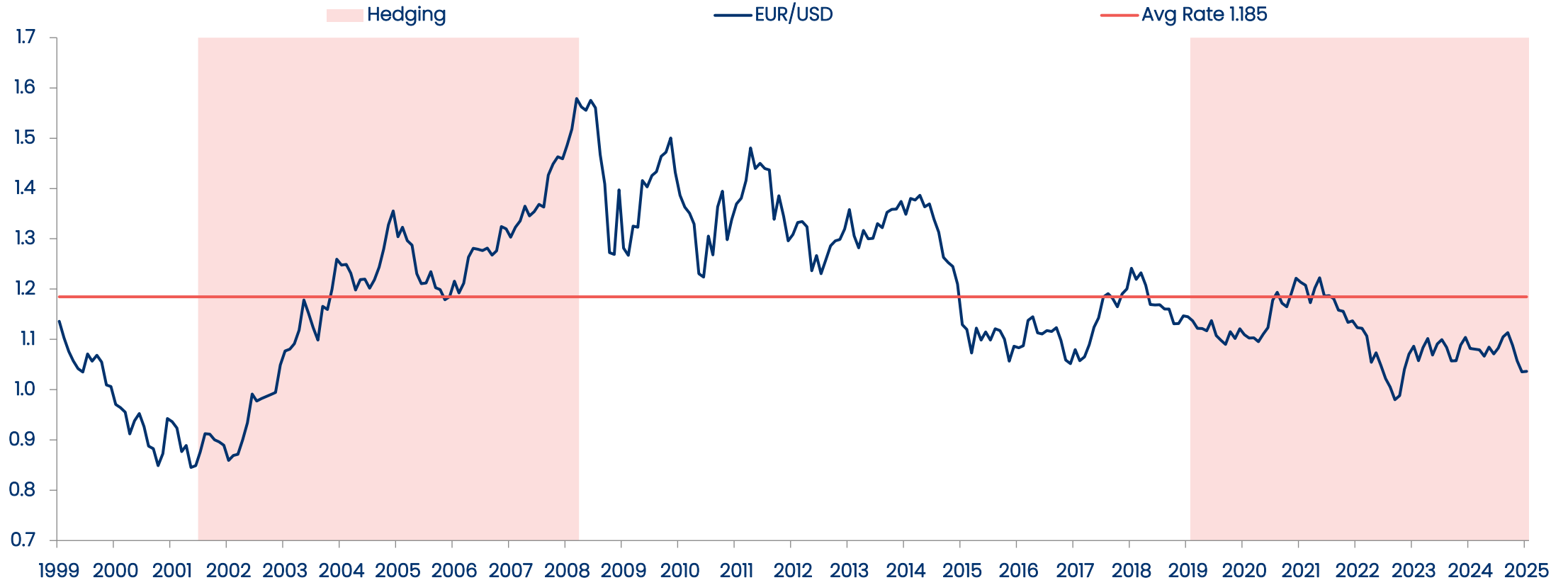
# MSCI criteria and the current status of the Vietnamese stock market



Source: PYN Fund Management

MSCI has three key criteria to classify the Emerging market. Of those three, Vietnam already has a sufficient number of companies with a large market cap and the market's trading volume satisfies the criteria. The third criterion will be fulfilled when Vietnam presents solutions to the limitations on foreign ownership. The prefunding rule is another additional issue, which has been partially solved since November 2024.

# Forex hedge smoothens EUR/USD changes in portfolio



Per 10.02.2025, Source: Bloomberg, PYN Fund Management

Weakening euro would bring forex gains into portfolio and strengthening euro would eat up the gains. We use main currency pair hedging to neutralize these gains/losses for portfolio and stock moves have greater impact to NAV changes. The latest hedging period we started on the 26<sup>th</sup> of February 2019.

# PYN Elite Portfolio management team



**Petri Deryng**  
Portfolio Manager

Founder of PYN Fund Management. Petri lives in Asia and has been the portfolio manager of the PYN Elite Fund from the start. Petri has often been listed as one of the most successful portfolio managers in Finland and Europe in the reviews of Citywire, Morningstar, and Arvopaperi-magazine, among others.



**Maggie Yi**  
Portfolio Team

Maggie is based in Bangkok, Thailand. She has worked for PYN Elite since 2013. In the past, Maggie has been monitoring the Chinese and Hong Kong stock markets, and now her areas of in Vietnam include banking and the financial sector. Maggie holds a bachelor's degree in economics from Zhongnan University in China. In addition, she is a CFA charter holder.



**Lan Nguyen**  
Portfolio Team

Lan is based in Ho Chi Minh City, Vietnam. She joined PYN Elite in October 2021 and is currently in charge of the Real Estate, Energy, Utilities and Materials sectors. She was formerly an Investment Manager at Indochina Capital and has 14 years of experience covering various sectors in the Vietnam stock market. She holds a Bachelor's degree in Corporate Finance from the University of Economics, Ho Chi Minh City.



**Huyen Tran**  
Portfolio Team

Huyen joined PYN Elite in early 2022 and is based in Ho Chi Minh City. She has worked previously in Red Capital covering infrastructure, pharmaceuticals and industrial production. She holds a bachelor's degree in corporate finance from Academy of finance, Vietnam.



**Hoang Do**  
Portfolio Team

Hoang joined PYN Elite in 2020 and works in Bangkok, Thailand. He used to work for EY Consulting Vietnam as a consultant in finance and banking sector. Hoang holds a bachelor's degree in Commerce from Griffith University, Brisbane, Australia. In addition, he is a CFA charter holder.

# PYN Elite – Facts

## PYN Elite Fund (non-UCITS)

Allocation	Asia ex Japan
Fund Manager	Petri Deryng
Founded	1999
Subscription/redemption	Monthly
Min. investment	10 000 EUR
Currency	Euro
Subscription/redemption fee	0%*
Management fee	1.0%
Performance fee	12.0% (HWM **)
Assets (10.02.2025)	820 m EUR

Open-ended, Finland Domicile and licensed mutual equity fund (AIF) under EU regulations.

\* The subscription fee for subscriptions of 6M EUR or more is 5 %.

\*\* A fund-specific high watermark calculation is used in the calculation of the performance-based fee.



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The attached publication is marketing material and should not be regarded as a recommendation to subscribe or redeem units of the PYN Elite Fund. Before subscribing please familiarize yourself with the Key Information Document, the Prospectus and the Rules of the Fund. The material presented in this text is based on PYN Fund Management's view of markets and investment opportunities. PYN Elite Fund (non-UCITS) invests its assets in a highly allocated manner in frontier markets and in a small number of companies. This investment approach involves a larger risk of volatility compared to ordinary broadly diversified equity investments. The value of an investment may decline substantially in unfavorable market conditions or due to an individual unsuccessful investment. It is entirely possible that the estimates of economic development or a company's business performance presented in this presentation will not be realized as presented and they involve material uncertainties.

## **PYN Elite**

The PYN Elite (non-UCITS) Fund (hereinafter "PYN Elite Fund") is an alternative investment fund and a non-UCITS fund as referred to in the Finnish Act on Alternative Investment Fund Managers (162/2014, as amended), which is managed by the Finnish alternative investment fund manager PYN Fund Management Ltd.

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The PYN Elite Fund invests in a concentrated portfolio of companies of a small to medium market capitalisation located in the Asian region. Share prices of such companies may be much more volatile and their trading liquidity much lower those of the shares of larger companies. The Fund must therefore be considered as a high-risk investment. The value of an investment may either rise or fall and investors are therefore at risk of losing part or all of the assets invested in the Fund.

## **Limitation of liability**

The Fund may be closed, or redemptions and subscriptions of its units suspended in accordance with the Fund's regulations. Neither the PYN Elite Fund nor PYN Fund Management Ltd guarantee the availability of the service. The Fund or PYN Fund Management Ltd accepts no liability for any financial loss or any direct or indirect damage which may result from an investment or other decision based on the attached material. Any dispute, controversy or claim arising out of or in connection with information regarding this fund shall be settled in accordance with Finnish law exclusively by Finnish courts.