

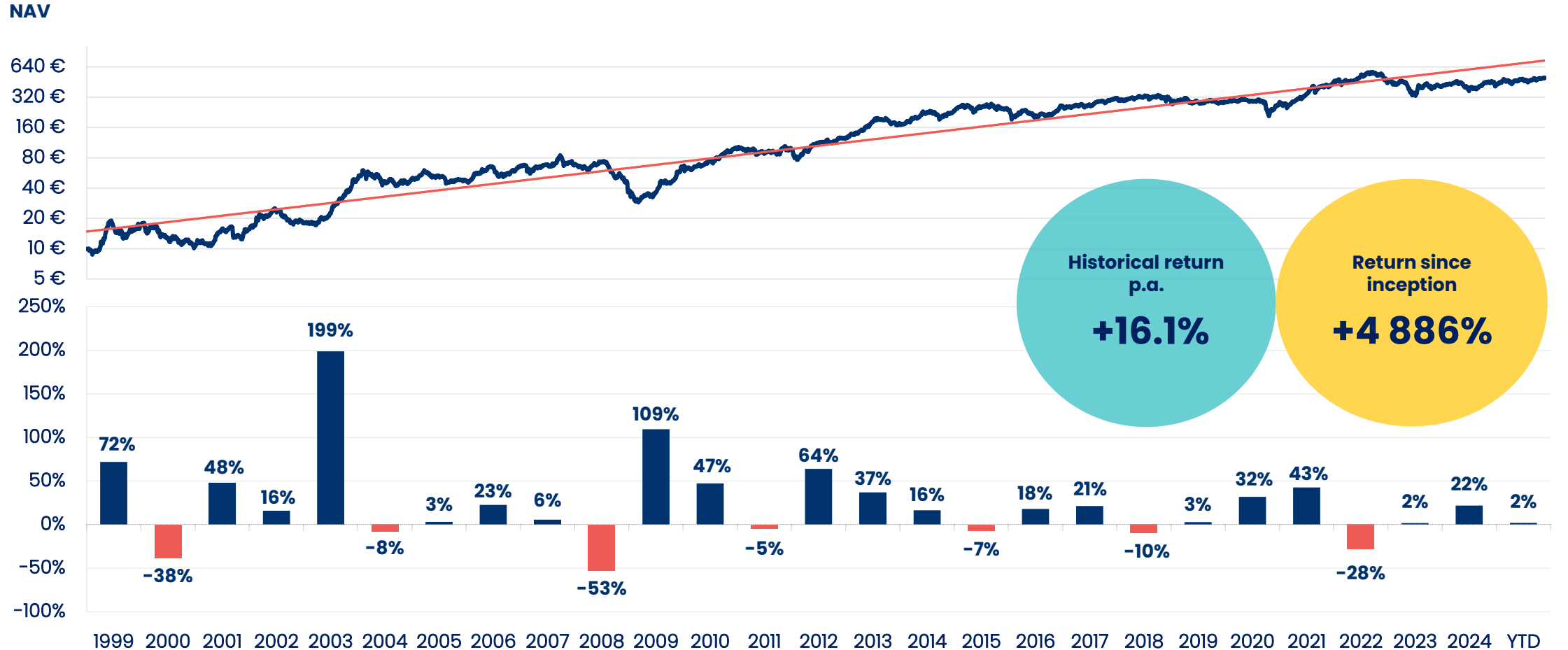


**PYN ELITE**

Vietnam – Unstoppable growth ahead

March 2025

# PYN Elite has excellent track record



Per 10.03.2025 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 49-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

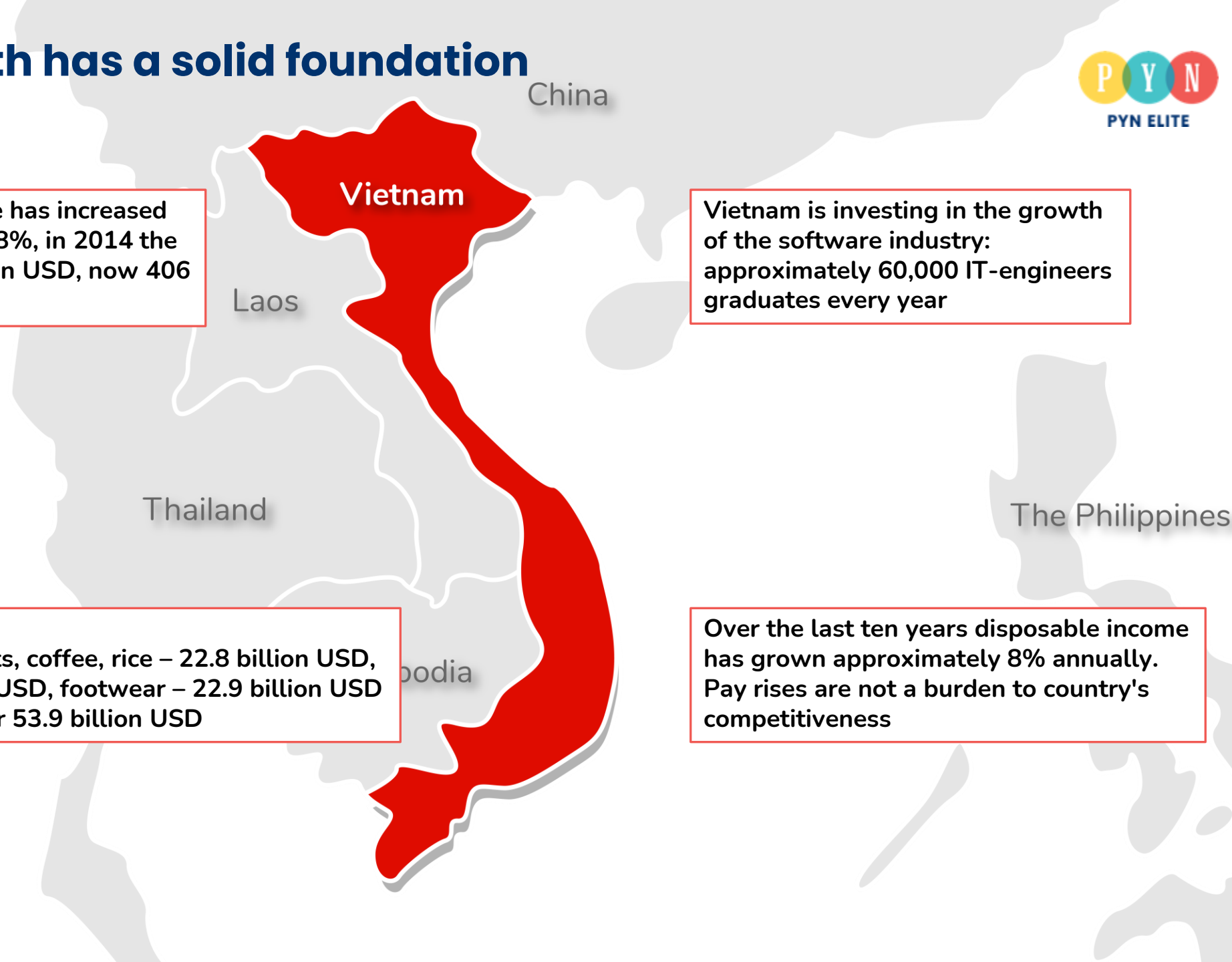
- Underperforming or undervalued markets in comparison to markets' historical fair valuation
- Improving macroeconomic/demographic trends
- Industries and companies that are overlooked, contrarian and correction potential on valuation of share

## 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



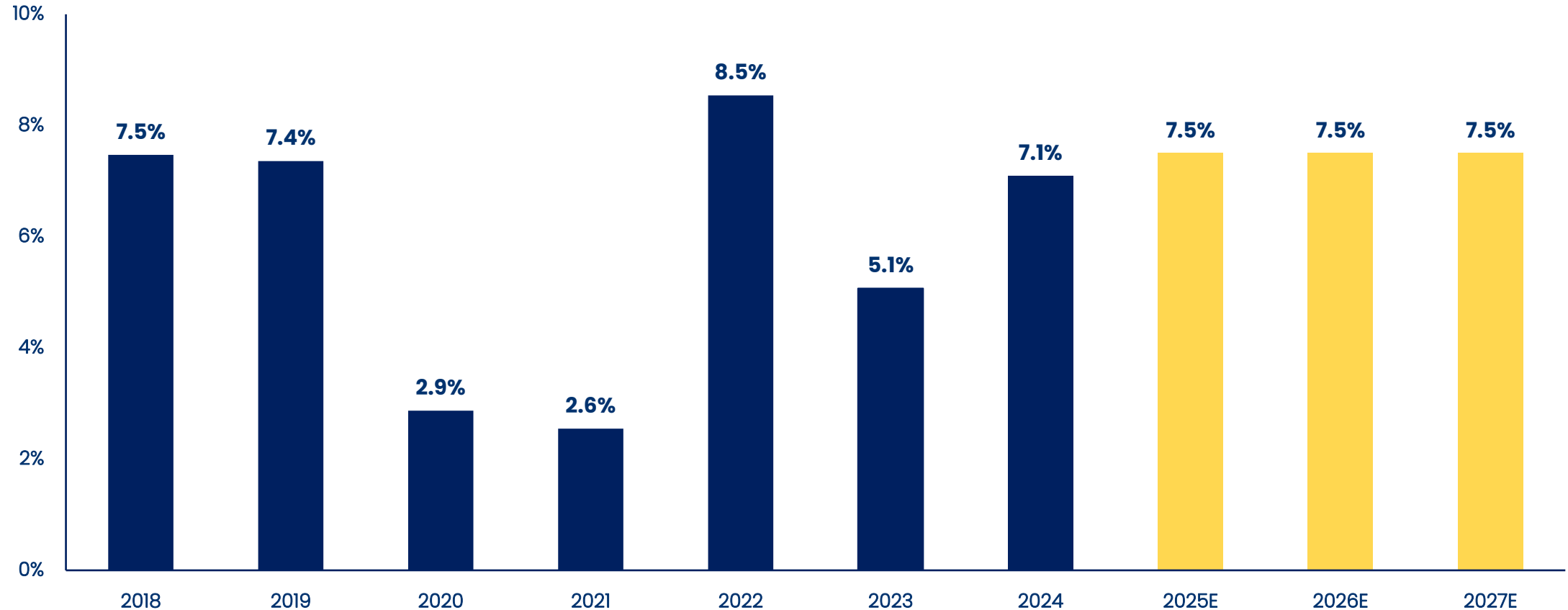
Vietnam's share of world trade has increased in ten years from 0.80% to 1.68%, in 2014 the value of exports was 150 billion USD, now 406 billion USD

Vietnam is investing in the growth of the software industry: approximately 60,000 IT-engineers graduates every year

Diversified exports:  
Fruit & vegetables, cashew nuts, coffee, rice – 22.8 billion USD,  
fishery products – 10.0 billion USD, footwear – 22.9 billion USD  
and phones and accessories for 53.9 billion USD

Over the last ten years disposable income has grown approximately 8% annually. Pay rises are not a burden to country's competitiveness

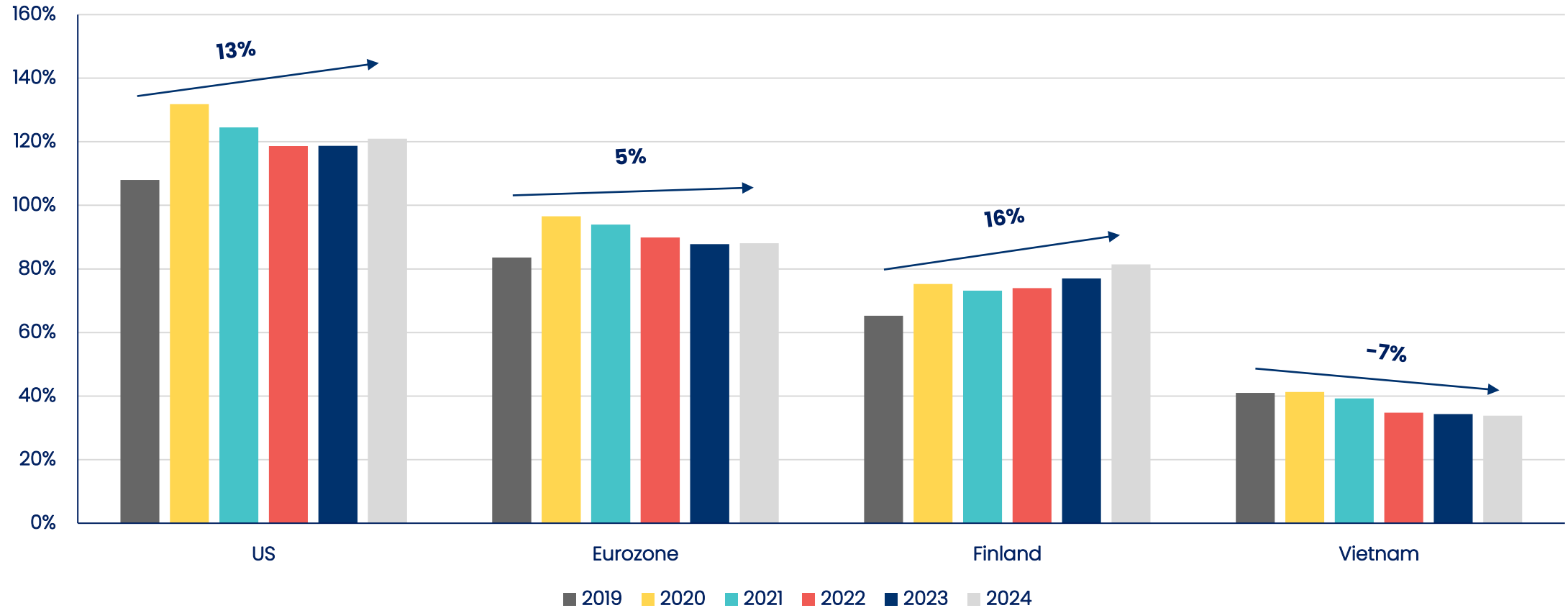
# New political regime geared for strong GDP growth



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%.

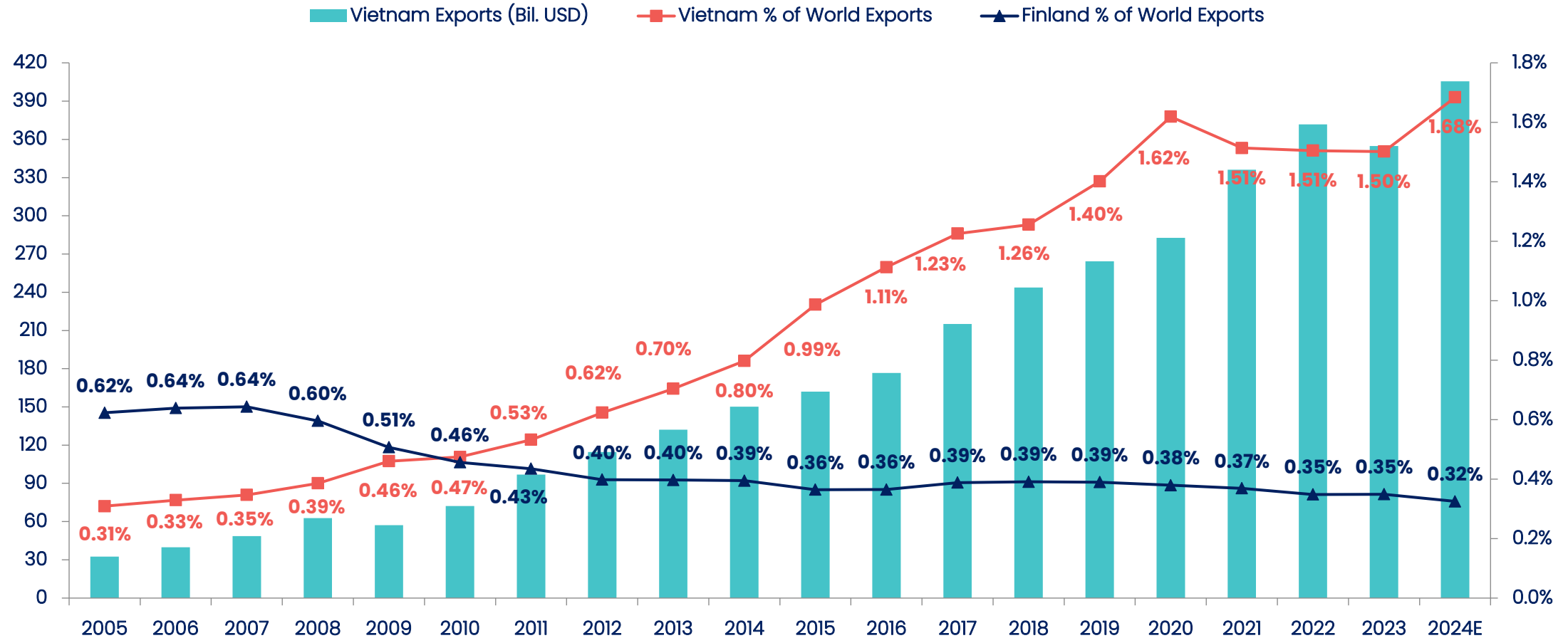
# Government debt/GDP – Vietnam at low risk ratio



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.

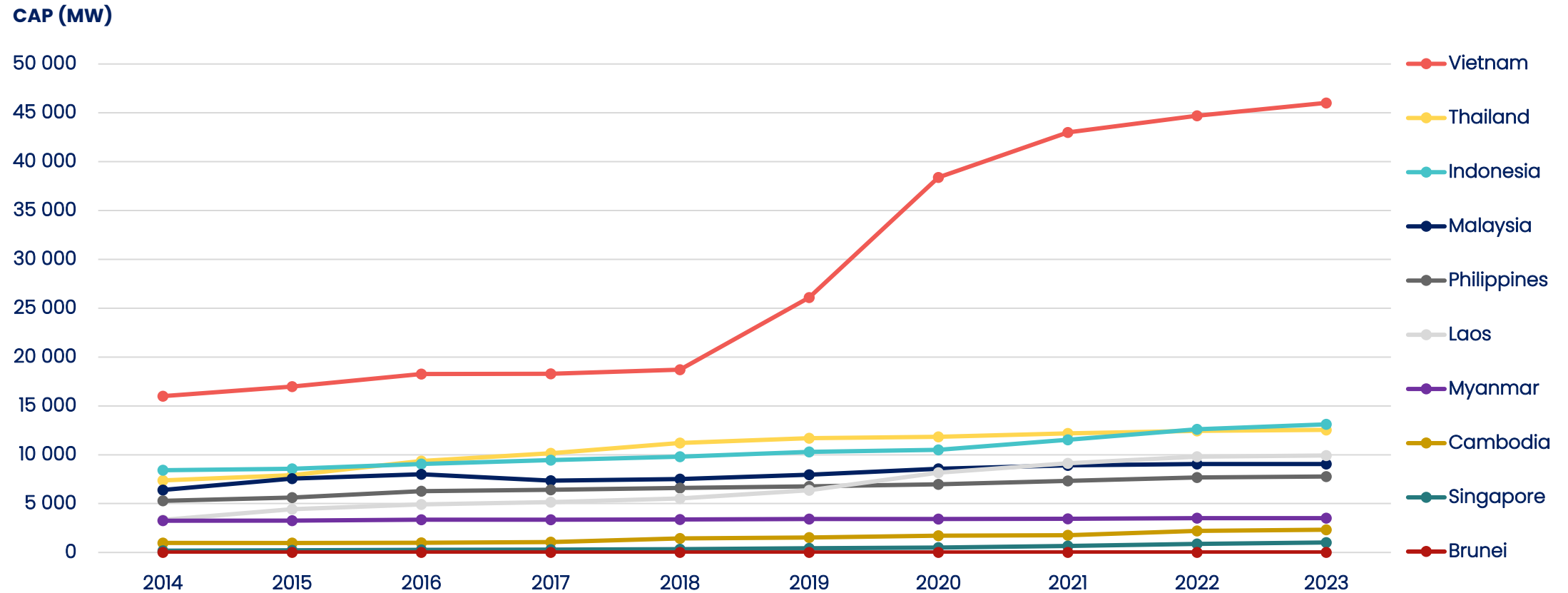
# Vietnamese exports are competitive



Source: IMF, GSO

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

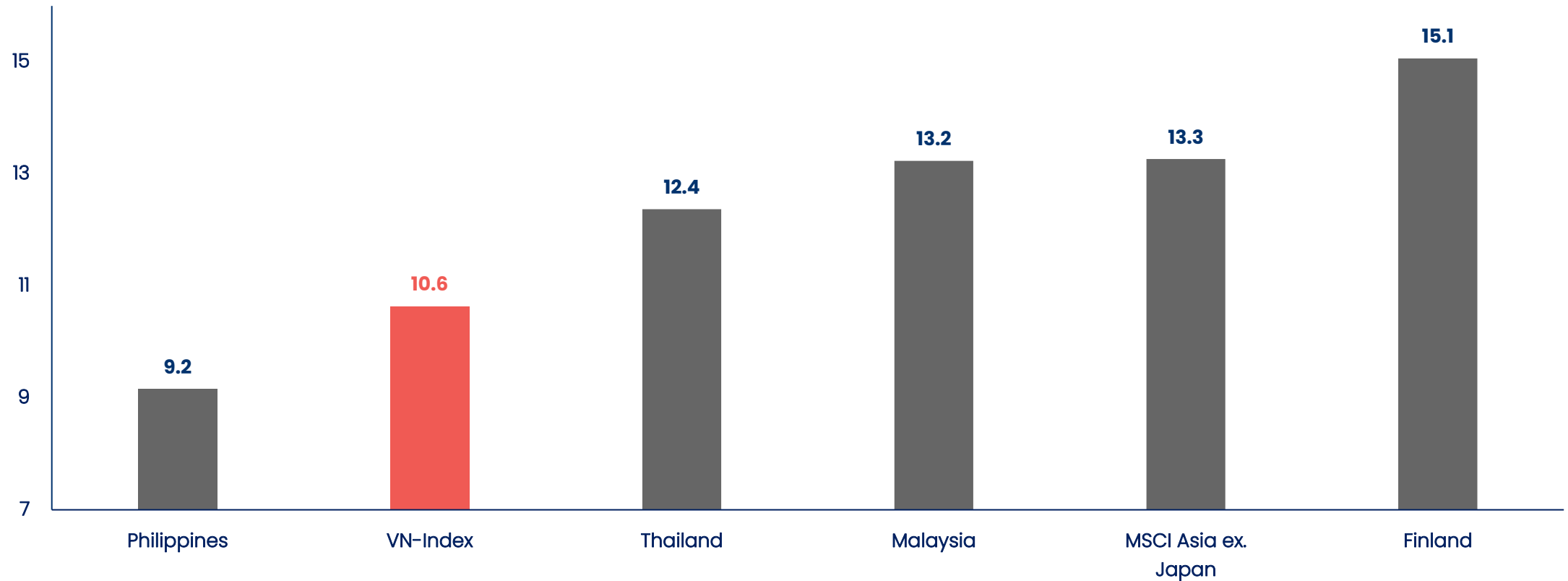


Source: IRENA

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.



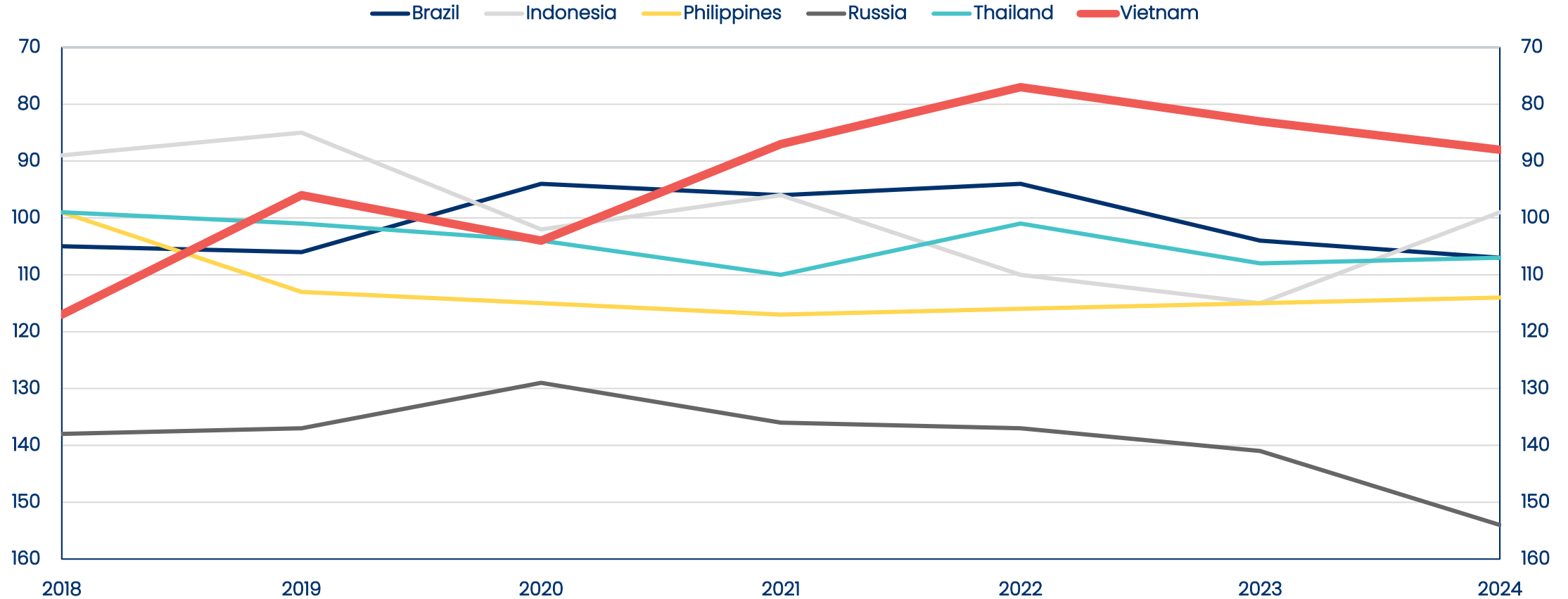
# The market offers attractively priced shares



Per 10.03.2025, Source: Bloomberg

The VN-Index trades at P/E 10.6 for 2025 forward earnings. Outlook for earnings growth for the next 3 years is relatively strong in Vietnam.

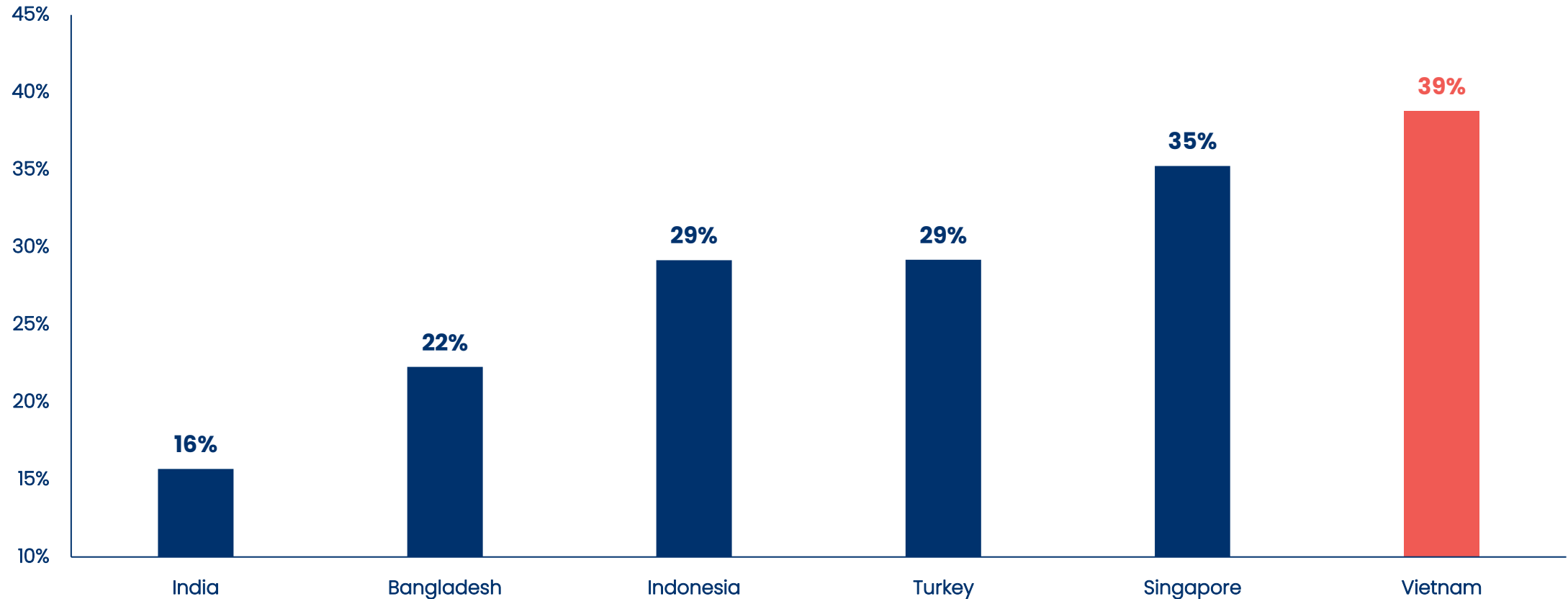
# Vietnam improving gradually in global corruption ranking



Source: Transparency International

Vietnam's most recent ranking in Transparency International's Corruption Perceptions Index (CPI) is 88 (improved 29 ranks in 6 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 GDP/capita to top levels in future.

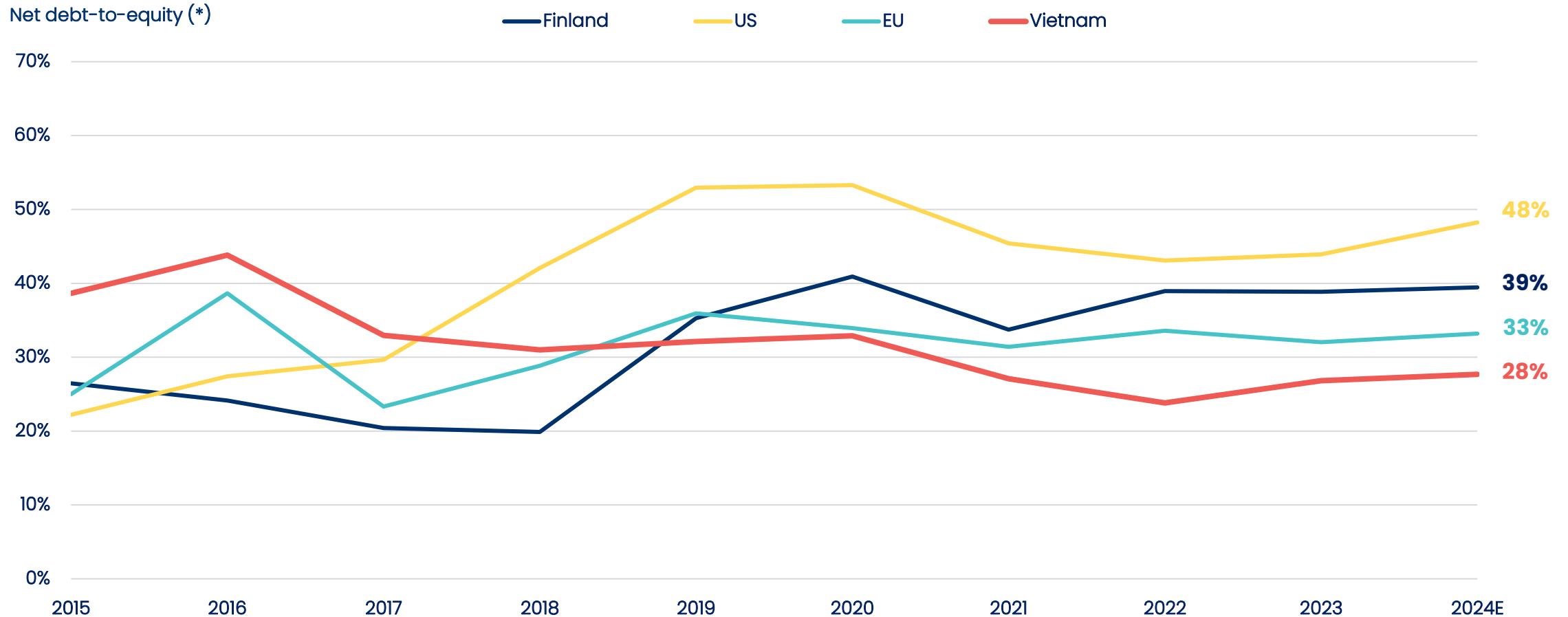
# Women's share of total labor income



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

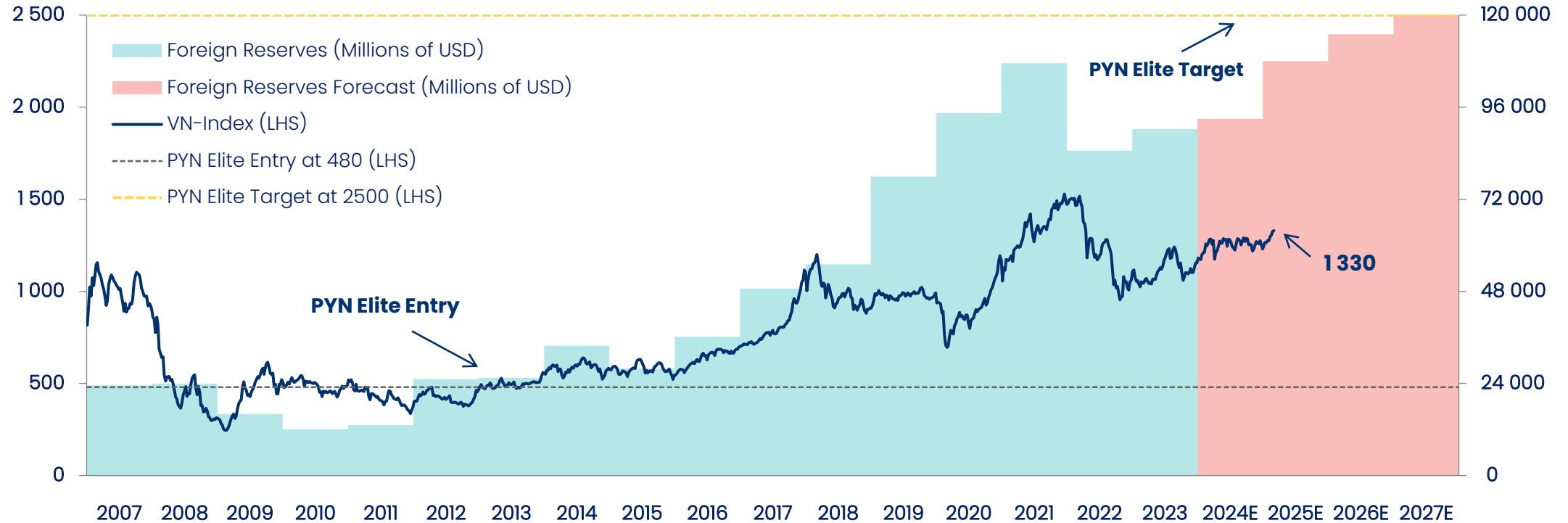


(\*) Figures are excluding banks

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.

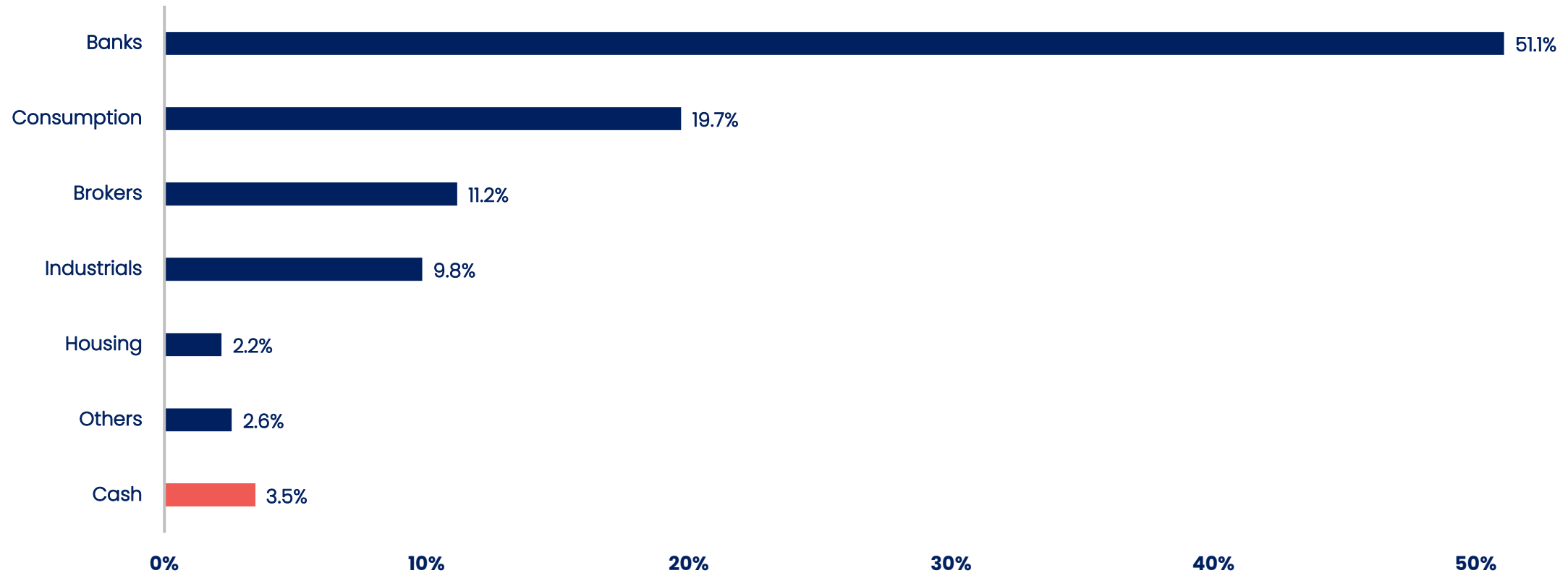
# PYN Elite target for VN-Index: 2 500 level



VNIndex per 10.03.2025 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 10.03.2025, 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 1 087 Net profit 2024 382</p>	<p>Market cap 2 728 Market cap target 6 500 Target valuation P/B 1.8 Upside potential 138%</p>
<p>Weight 19.5%</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 2 100 Net profit 2024 858</p>	<p>Market cap 5 408 Market cap target 10 300 Target valuation P/B 2.0 Upside potential 90%</p>
<p>Weight 10.0%</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 855 Net profit 2024 391</p>	<p>Market cap 8 253 Market cap target 15 000 Target valuation P/RNAV 1.5 Upside potential 82%</p>
<p>Weight 8.3%</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 3 104 Net profit 2024 960</p>	<p>Market cap 8 264 Market cap target 12 000 Target valuation P/B 1.7 Upside potential 46%</p>
<p>Weight 6.6%</p>			
	<p>VIB holds a leading market share in retail lending, bancassurance, and credit cards in Vietnam and is a pioneer in Basel III adoption and digital transformation. It achieved highest ROE of 28% from 2019 to 2023 among peers. After a slow 2024, the business is poised for a strong recovery in 2025, driven by economic growth and improved loan collections.</p>	<p>Revenue growth 20.3% Net profit growth 17.1% Revenue 2024 780 Net profit 2024 273</p>	<p>Market cap 2 258 Market cap target 4 500 Target valuation P/B 2.2 Upside potential 99%</p>
<p>Weight 5.5%</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



Weight 5.3%

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.

Revenue growth	16.3%	Market cap	1 548
Net profit growth	14.4%	Market cap target	4 000
Revenue 2024	684	Target valuation	P/B 1.8
Net profit 2024	230	Upside potential	158%



Weight 5.3%

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.

Revenue growth	1.5%	Market cap	2 275
Net profit growth	24.0%	Market cap target	5 300
Revenue 2024	4 009	Target valuation	P/E 20
Net profit 2024	261	Upside potential	133%



Weight 4.9%

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.

Revenue growth	19.1%	Market cap	1 020
Net profit growth*	22.0%	Market cap target	1 950
Revenue 2024	140	Target valuation	P/E 18
Net profit 2024*	63	Upside potential	91%



Weight 4.1%

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.

Revenue growth	8.8%	Market cap	1 021
Net profit growth	4.2%	Market cap target	2 600
Revenue 2024	382	Target valuation	P/B 1.8
Net profit 2024	120	Upside potential	155%



Weight 4.0%

MWG operates TGDD, Vietnam's top mobile retail chain with 1,000+ stores, and DMX, the leading electronics retailer with over 2,000 stores. It also founded Bach Hoa Xanh (BHX), a grocery chain specializing in fresh food and essentials, with 1,770+ stores. BHX aims to become the leading grocery retail chain in Vietnam, achieving \$10 billion in revenue by 2030.

Revenue growth	5.6%	Market cap	3 289
Net profit growth	-0.6%	Market cap target	4 900
Revenue 2023	5 091	Target valuation	P/E 20
Net profit 2023	141	Upside potential	49%



# Market modernization outlook in Vietnam

## Vietnam in MSCI Index

### Current status

Vietnam's Frontier Markets Index weighting: 24.8% 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:

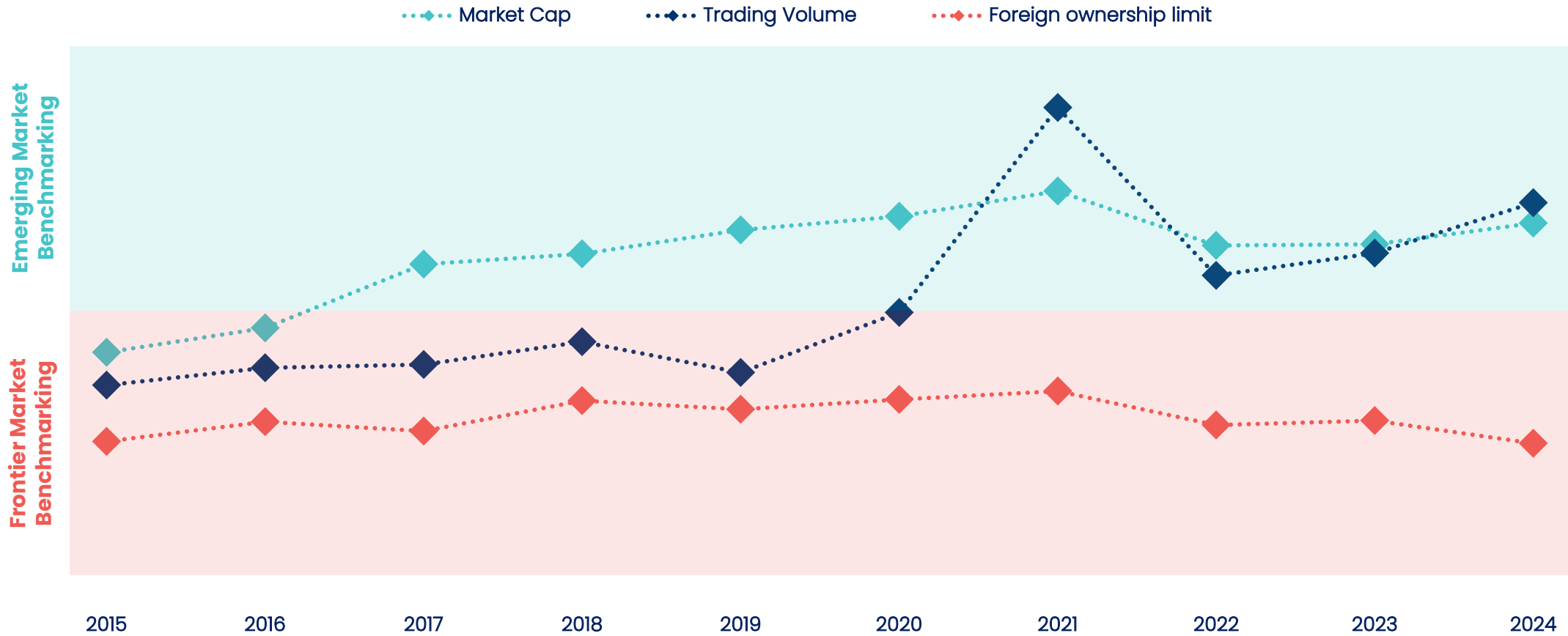
- Ease restriction on FOL by automatically lifting a 100% FOL in public companies, exception only for restricted businesses e.g. banks, defense, telecom related.
- Extend the definition of deposit receipt (DR) and the provisions on non-voting depositary receipt (NVDR).

### 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.

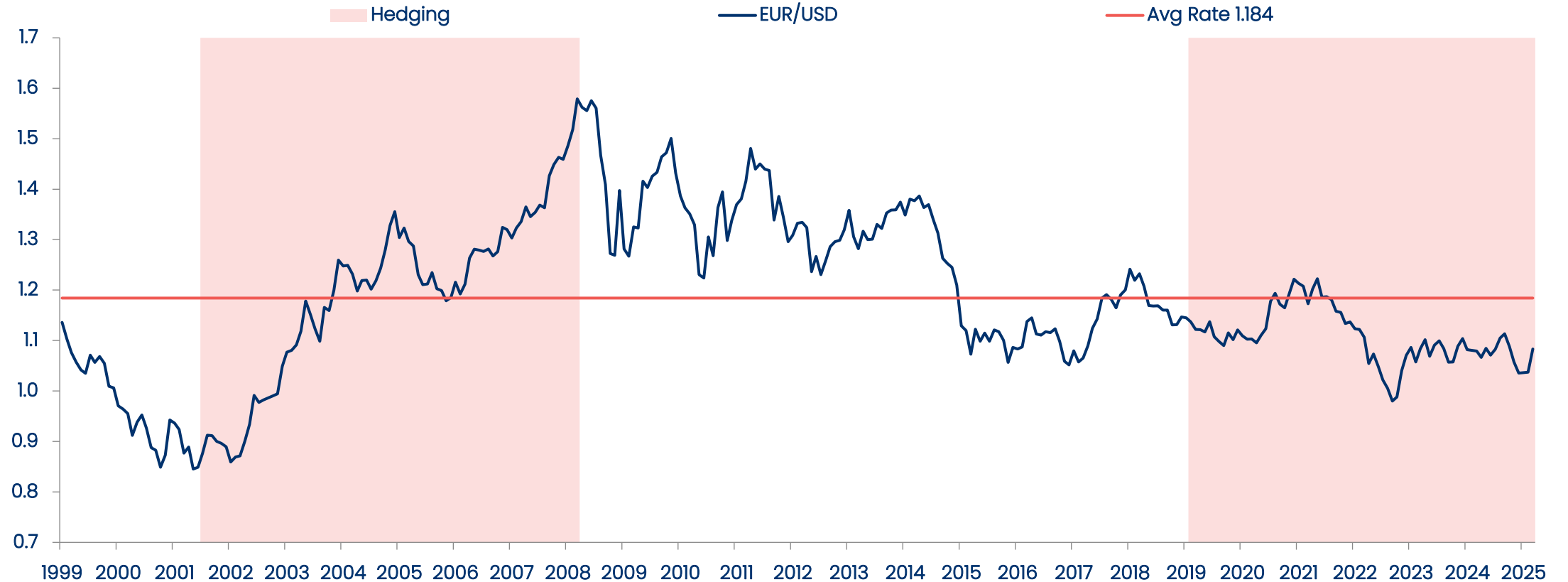
# MSCI criteria and the current status of the Vietnamese stock market



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 10.03.2025, 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 (10.03.2025)	826 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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## **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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## **Risks associated with investment activities**

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.