

INTRODUCING PYN ELITE'S TACTICALLY POSITIONED PORTFOLIO

TRUMP'S FAMILY ENTERPRISE EXPECTS RETURNS FROM VIETNAM

President Donald Trump's son, Eric Trump, and Vietnam's Prime Minister, Phạm Minh Chính, were in a celebratory mood two weeks ago. The Trump Organization is planning a USD 1.5 billion golf resort in Vietnam, and a land lease extending to 2075 has now been signed in relation to the project. The timing of these developments raises a question: if President Trump intends to maintain 46% tariffs on Vietnam and thereby significantly weaken the country's competitiveness, why would Trump's family company simultaneously invest in Vietnam and seek strong returns from the Vietnamese market? The simple conclusion for a stock market investor is that Trump's tariffs will ultimately be set at a level that ensures the continuation of Vietnam's success story.

The Trump Organization's golf project was celebrated by a prestigious roster of guests. Pictured: The Prime Minister of Vietnam, Phạm Minh Chính (centre), and Eric Trump (right).



Source: Lehtikuva

The P/S ratio of the Vietnamese stock market is at an attractively low level

VN Index P/S



Source: Bloomberg

The Vietnamese stock market is attractively priced, trading at a P/S ratio of 1.3. At the same time, Vietnam's economic growth continues, boosting the revenues of listed companies and the market's upside potential. The Vietnamese stock market's P/E for 2025 is at the level of 11. Moreover, Vietnam's medium-term growth outlook has strengthened under the current leadership.

However, at the same time, the tariff turmoil started by the US is making stock market developments in 2025 extremely difficult to predict. Slowing US economic growth, disruptions to global trade, The Fed's monetary policy measures, Vietnam's tariff deal with the US, the trajectory of the US dollar, the financing of US government debt. Tensions between China and the US, and the reallocation of investor cash flows. The outlook is hazy, and you need to keep your hand on the foghorn.

Several factors may drive the Vietnamese stock market up or down, depending on the timing and intensity of the events. Vietnamese listed companies could expand their businesses during the next couple of years, in which case the stock market's P/S valuation at today's prices would fall close to the very low level of 1.0. Vietnam's robust political situation, strengthening economic growth and the earnings growth of listed companies, combined with the favourable monetary conditions and the modernisation of the stock market practises, support the view that the P/S ratio of the Vietnamese stock market could rise closer to 2.0. Market performance certainly won't be smooth this year, given the uncertainties expected in the next six months alone. However, no one should get too concerned about Vietnam or the PYN Elite portfolio, even if there will be some setbacks along the way. Moderately debted listed companies in a country of moderate sovereign debt will recover quickly from any possible setbacks.

Vietnam's Macro data in brief:

- GDP growth was +6.9% in the first quarter.
- Consumer demand increased by +11.1% in April, accelerating further from Q1's +9.9%.
- Export figures were strong in April: growth of +19.8%.

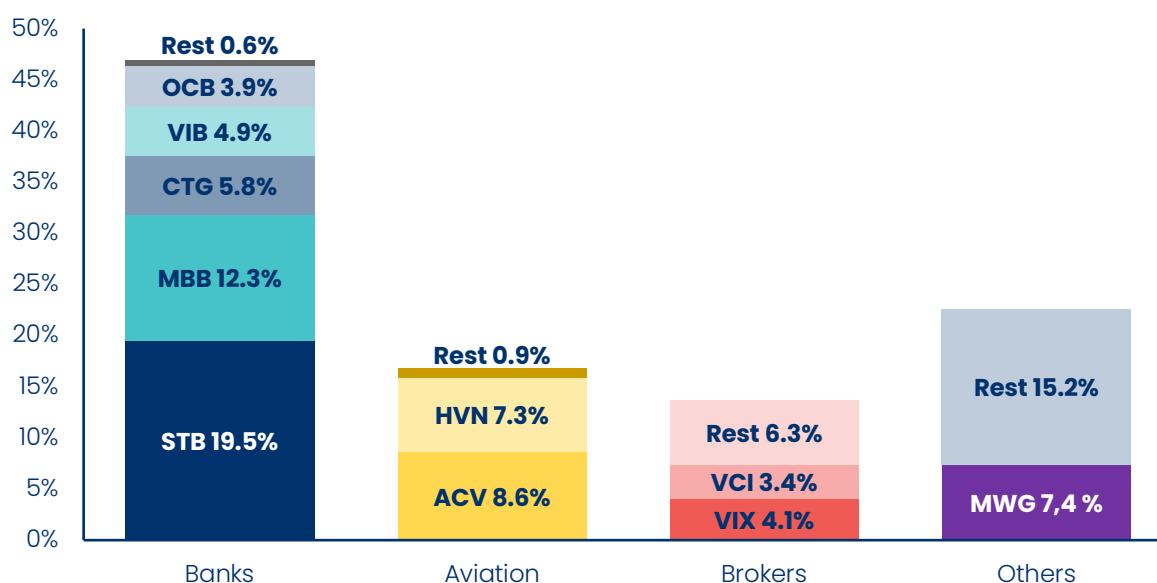
Exports to the US increased by +34%. Going forward, export figures to the U.S. are expected to weaken, and this will not be salvaged even by a reasonable tariff agreement. Fearing tariffs, inventories in the US have been stocked up, and there is a simultaneous expectation that US consumer demand will soften. Nevertheless, a fair tariff agreement with the US would give the Vietnamese stock market a boost, and it would also strengthen the Vietnamese dong.

PYN ELITE'S PORTFOLIO ALLOCATIONS: BANKS, BROKERS AND AVIATION

The PYN Elite portfolio has a very clear focus on companies whose growth is driven by domestic economy demand in Vietnam. The aviation sector (ACV and HVN) constitutes a slight exception, as it is also supported by international air traffic to Vietnam. A similar notion applies to the air cargo company SCS, as its business is linked to global trade cycles. The portfolio also has a small 2% allocation in VHC, whose pangasius fish fillet business is directly in the firing line when it comes to US tariffs, even if fish fillets are a staple product with demand in both upturns and downturns.

Our portfolio does not include commodity producers, or related service companies, whose business depends heavily on the up and down cycles of global market demand. Vietnamese real estate companies, which include housing developers and industrial parks, for example, are currently underweighted. However, the cyclical shift in the Vietnamese housing market has an indirect effect on PYN Elite through the portfolio's significant allocation in banks.

PYN Elite portfolio allocation by sector per 26.5.2025

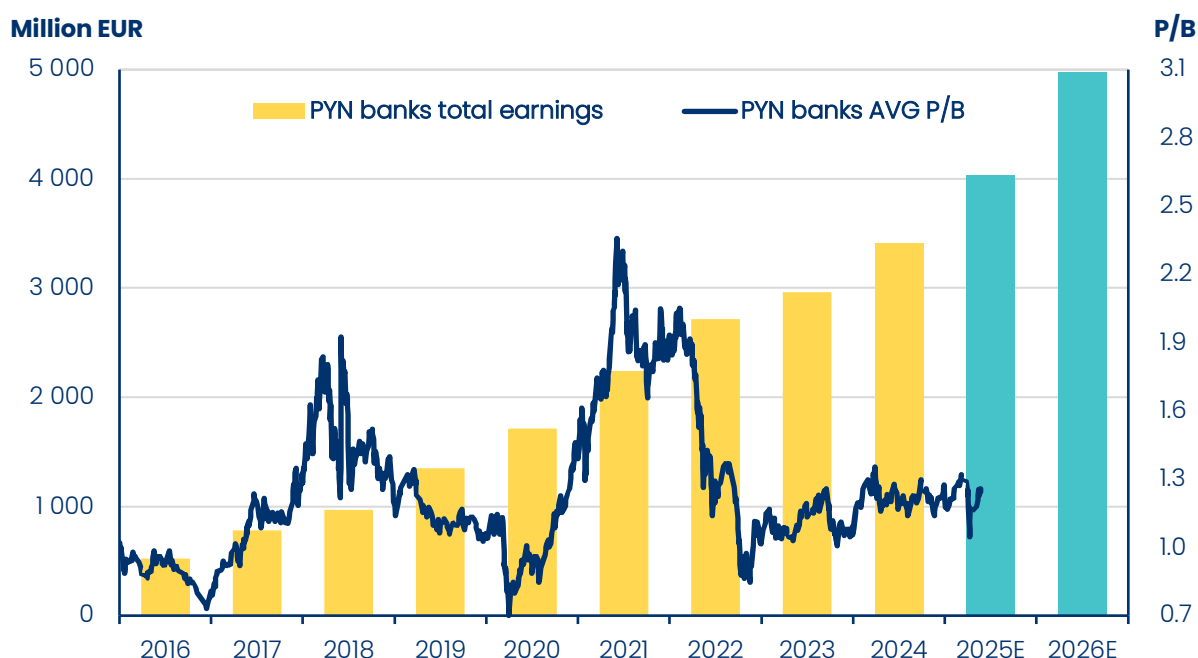


Source: PYN Fund Management

BANKS

Banks remain clearly overweight in the PYN Elite portfolio with an allocation of 47%, even though we sold our shares in TPB bank in the spring with a slight gain. During the late winter and early spring, we allocated a significant weight to VIB bank, and we have also increased our allocation in MBB. The banking sector has had a couple of difficult years with slower-than-usual earnings growth. The reasons included the corporate bond market problems of autumn 2022 and their carryover effects on the real estate market and consumer confidence. This year, the overall need for loan provisions will decrease substantially, and earnings will get a boost accordingly. In addition, it is expected that the National Assembly will pass Resolution 42 in June, which allows banks to realise collateral much faster and resulting in substantial recognition of additional income. This process has been highly bureaucratic in the past.

The banks in the PYN Elite portfolio will accelerate their earnings growth, and their valuations are very low.



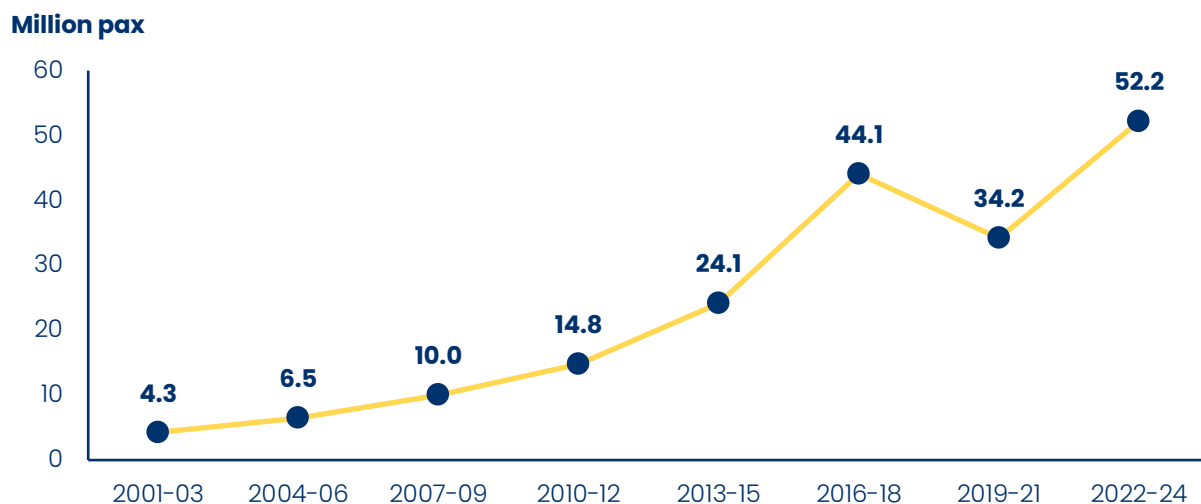
Source: Bloomberg, PYN Fund Management

AVIATION

The aviation sector has a weight of 17% in the portfolio. The airport operator ACV and Vietnam Airlines HVN have significant weights, while the air cargo company SCS has a small portfolio weight of 1%, although we own 3.5% of the company. Vietnamese air traffic is experiencing a strong long-term growth trend, which is likely to continue for the next decade. The chart below illustrates the growth of the Vietnamese aviation, divided into periods of three years. Passenger volumes have grown tenfold over the past 20 years in spite of a temporary halt to growth during the COVID-19 pandemic. We invested in the airport operator and an air cargo company during the exceptional circumstances caused by the pandemic. The most recent addition, Vietnam Airlines, was added to our portfolio about a year ago, also in special circumstances, as the company was about to return to profitability after four years

of heavy losses. We can now enjoy the benefits of these well-timed buys as we approach cruising altitude, buoyed by the positive earnings performance.

Passenger volumes have grown tenfold over the past 20 years



Source: General Statistics Office of Vietnam

Thailand has a strong position in international tourism and large annual volumes. Looking at the figures for the period following the COVID-19 pandemic, Vietnam has clearly outpaced Thailand in terms of the growth of passenger volumes.

The growth of Thailand, a powerhouse of global tourism, is eclipsed by Vietnam's strong growth figures

		2023	2024	2025E	CAGR
Vietnam	International tourist volumes (mn)	12.6	17.6	22	
	YoY (%)	244%	40%	25%	32%
Thailand	International tourist volumes (mn)	28.2	35.6	37.5	
	YoY (%)	152%	26%	5%	15%

Source: The Tourism Authority of Thailand, General Statistics Office of Vietnam

STOCKBROKERS

We made a tactical increase to the weight of brokers in our portfolio in autumn 2024 and spring 2025. The reason is that we expect the new trading platform, KRX, to both accelerate stock trading and contribute to the index provider FTSE's decision to upgrade Vietnam's classification to Emerging Market (EM) status. KRX was deployed at the beginning of May. We expect FTSE to upgrade Vietnam's market classification within 10 months. Recently, Vietnam has also increasingly emphasized the need to establish a central counterparty (CCP) for its markets, which would further advance the modernization of its stock market.

Brokerage stocks are volatile, and the companies' earnings may surge occasionally. While their stocks are not suited for long-term holding, they may offer very attractive returns at times. During a bull market, brokers benefit from increased trading commissions, their customers utilise high-margin credit lines, investment bank dealflows increase and, proprietary trading gains at market accelerate.

The schedule of the modernization of the Vietnamese stock market



Source: PYN Fund Management

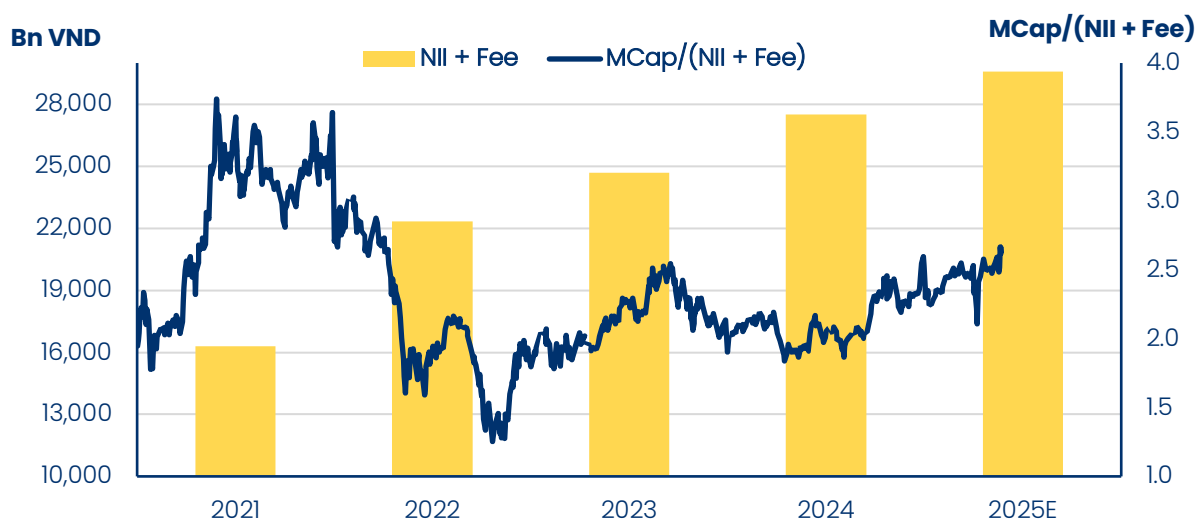
PYN ELITE 10 TOP HOLDINGS

Sacombank

Sacombank Portfolio weight 19.5%	Revenue growth	14.4%	Market cap, mn €	2 685
	Net profit growth	32.7%	Market cap target, mn €	6 500
	Revenue 2024, mn €	1 087	Target valuation	P/B 1.8
	Net profit 2024, mn €	382	Upside potential	142%

- A firm new shareholder will take over the frozen 32% stake.
- STB's restructuring programme will be officially completed.
- Proceeds from the sale of off-balance collateral, amounting to approximately EUR 1 billion, will be recognised into bank's equity.
- The bank included dividend proposal on the AGM agenda for the first time, and there have already been changes in the bank's senior management. Everything suggests that the long-awaited major changes at STB will take place in the very near future.
- The market capitalization is just 2.7x earnings. A restructured STB is likely to gain a much higher valuation.
- Q1 earnings growth +37% year-over-year.

STB's low market cap to EBITDA (for a bank, net interest income + net service revenue)



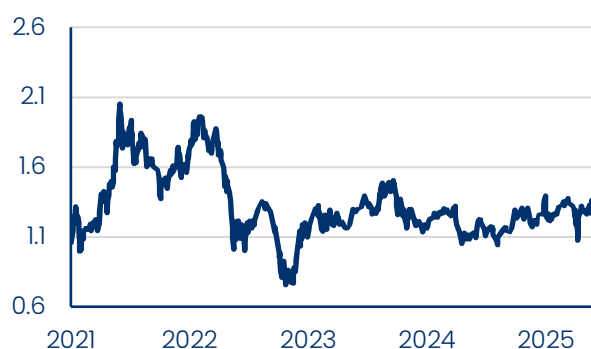
Source: Bloomberg, PYN Fund Management

Sacombank is a good bank with competent management. Sacombank's businesses were thrown into disarray by a hostile takeover, which led to its merger with a smaller, poorly managed bank owned by the hostile bidder. During the subsequent restructuring programme, the bank has taken a very conservative approach to its lending. The bank has not sought to accelerate its growth by participating in high-risk businesses. Its growth has been achieved from conventional banking business with high profile, long-term customers. The bank reported an excellent result for the first quarter of the year: +37% year-over-year.

STB is now ready to resume normal banking operations. The bank has not been allowed to distribute dividends for nine years but, this year, a dividend distribution proposal is back on the agenda of the Annual General Meeting, which indicates that the State Bank of Vietnam is about to give its approval for the restructuring measures taken by STB.

In connection with this, Sacombank will get a significant new shareholder when the 32% stake frozen by the State Bank of Vietnam is sold. The bank will be able to recognise in its equity the earnings accumulated from the restructuring, which have been kept in a segregated account as mandated by the State Bank of Vietnam. This will bring STB's P/B ratio to a level below 1.0.

STB P/B



STB P/E



Source: Bloomberg

We added STB to our portfolio during the market dip of November 2022, and we have accumulated a significant unrealised gain in this position. Our position has at times exceeded our portfolio's maximum allocation of 20% for an individual stock, and we have had to sell small amounts, but our aim is to maintain a portfolio weight of approximately 20% for STB. We believe that the next 12 months will be a very interesting period for the bank. In our view, STB is under-owned in the market due to the delay in the State Bank of Vietnam's decision on the conclusion of the restructuring programme and STB's return to normal bank status. In addition, the timing of the changes in recognition concerning equity on the balance sheet is unclear to investors, and many have not fully grasped their significance.

STB share price (VND)



Source: Bloomberg

MB Bank



Revenue growth	17.6%	Market cap, mn €	5 125
Net profit growth	23.7%	Market cap target, mn €	9 500
Revenue 2024, mn €	2 100	Target valuation	P/B 1.8
Net profit 2024, mn €	858	Upside potential	85%

- The bank's increased credit loss provisions in 2024 raised concerns about the quality of the loan portfolio.
- Last year's slow earnings growth was a disappointment, but Q1/2025 delivered strong results: +45% year-on-year.
- MBB's earnings in 2025 could turn into a positive surprise due to significantly reduced provisions.
- The stock is far too cheap for a large commercial bank with solid growth and a modern approach.
- Has a P/E of 6, although its earnings growth would justify a P/E of 10–12.

MBB P/B



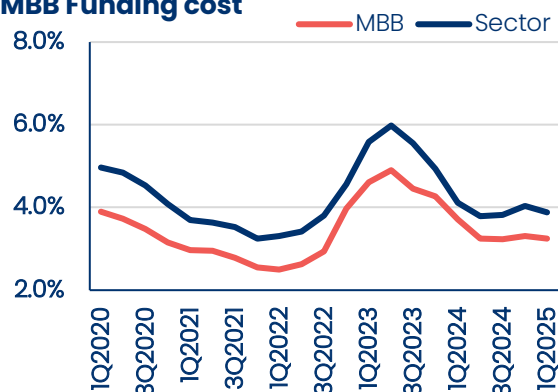
MBB P/E



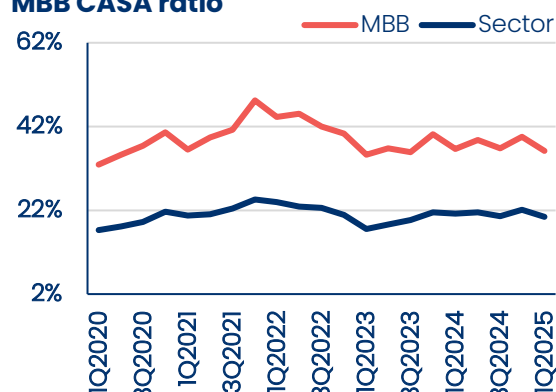
Source: Bloomberg

MBB has, at an early stage, secured the CASA of large corporations in northern Vietnam. This provides the bank with strong deposit funding and a competitive position with funding costs lower than the industry average.

MBB Funding cost



MBB CASA ratio



Source: MBB, PYN Fund Management

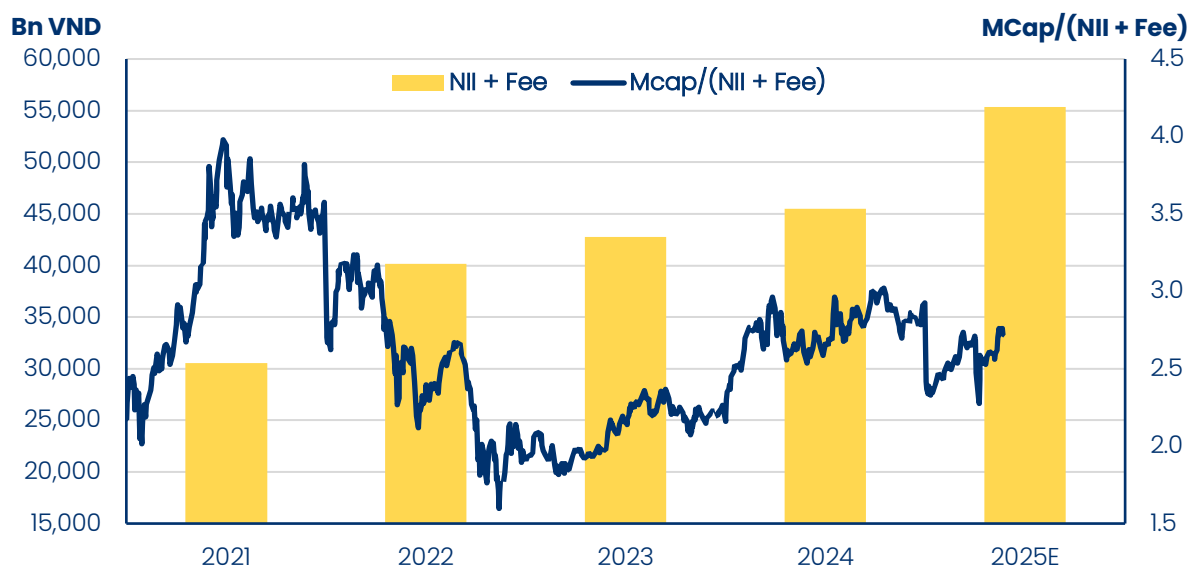
PYN Elite's position has generated a return, but we expect the share price to continue to trend upwards and reach new levels. During the spring, we increased MBB's weight in our portfolio from 10% to 12.5% as a block of the bank's shares in foreign quota (F shares) became available in the market. MBB's foreign quota is usually full, and the shares are traded in blocks at a small premium per share.

MBB share price (VND)




Source: Bloomberg

MB Bank

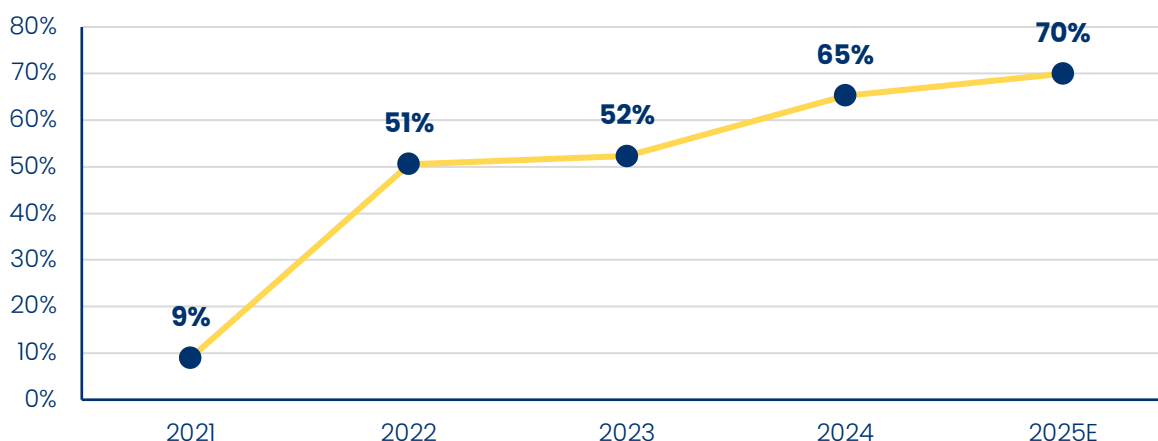


Source: Bloomberg, PYN Fund Management

ACV

 Portfolio weight 8.6%	Revenue growth	4.3%	Market cap, mn €	7 596
	Net profit growth	4.9%	Market cap target, mn €	12 000
	Revenue 2024, mn €	856	Target valuation	P/RNAV 1.3
	Net profit 2024, mn €	395	Upside potential	58%

- A money-making machine with an EBITDA margin of 70%.
- Far too cheap considering its future cash flows.
- A 2-for-3 bonus share issue is on the way, which will effectively split the stock.
- An administrative solution on runways ownership is in the works.
- The aim is to move the ticker from Upcom to the main board on HoSe.
- Assets were booked on the balance sheet over 10 years ago at very low values before the company's IPO.

ACV's excellent EBITDA

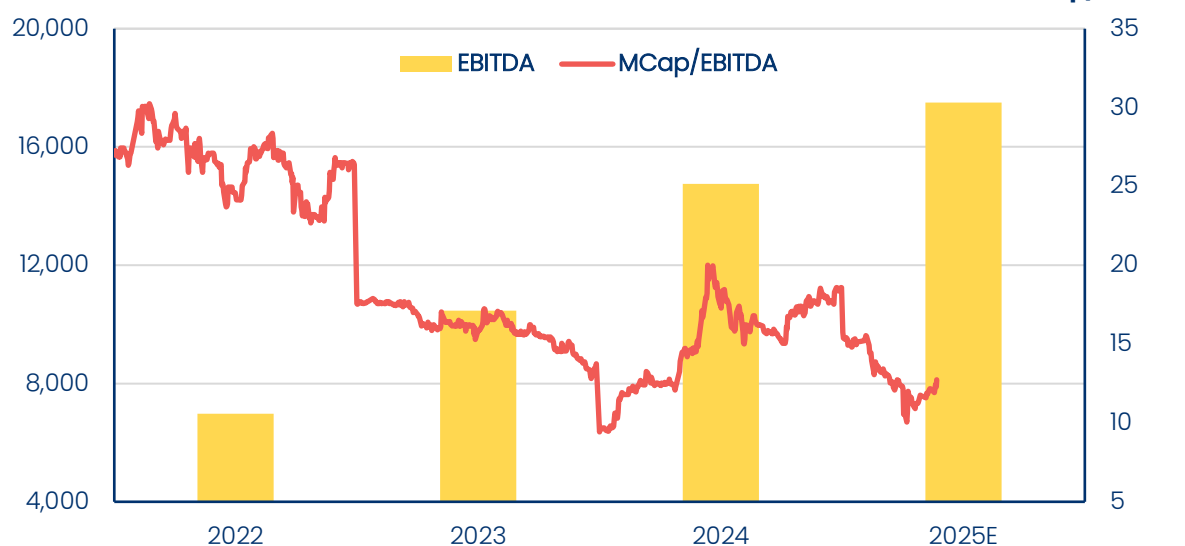
Source: Bloomberg, PYN Fund Management

ACV's business is like printing money. The company's EBITDA is growing inevitably, generating strong cash flow allowing capital spending in new airports and the expansion of existing terminals. PYN Elite's timing was good when the ACV stock was added to the portfolio during the COVID-19 crisis. After a strong rally last year, investors took profits on the stock, and the share price declined substantially in the early part of this year. Soon, there is a stock split on the way in the form of a bonus issue, as well as clarification on the ownership of runways. These factors are likely to see the stock return to an upward trajectory. While the stock is not super cheap anymore, there is still plenty of upside thanks to the uniquely strong position of ACV's business. The cash flow-adjusted book value gives a significantly higher target level for the company's valuation.

ACV share price (VND)


Source: Bloomberg

The stock plummeted to VND 40,000 levels during the COVID-19 pandemic in 2020. The company remained profitable even during the pandemic, thanks to the strong balance sheet, even though there was a nosedive in air traffic volumes, which are the key driver of its core business.

ACV**Bn VND**

Source: Bloomberg, PYN Fund Management

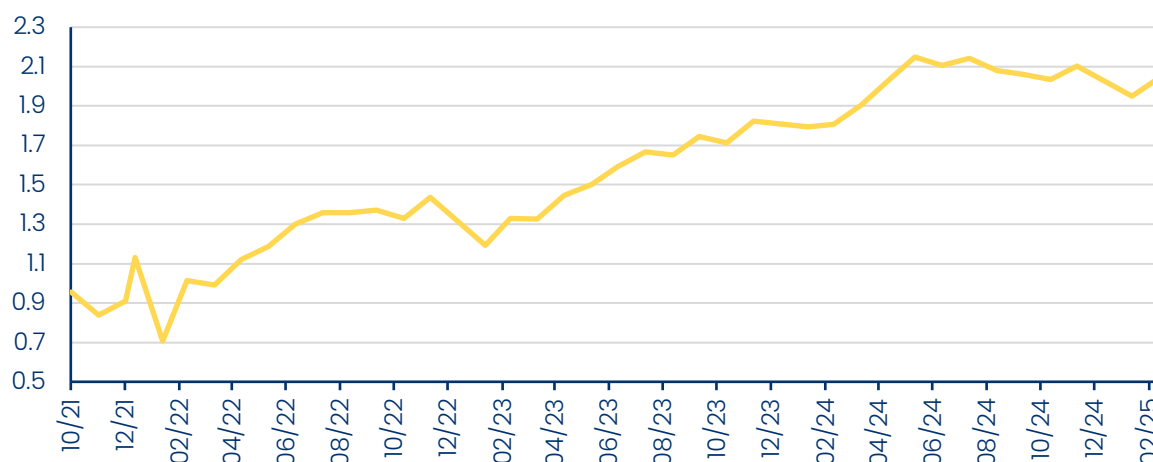
Mobile World

 thegioididong Portfolio weight 7.4 %	Revenue growth	5.6%	Market cap, mn €	3 235
	Net profit growth	-0.6%	Market cap target, mn €	6 500
	Revenue 2024, mn €	5 091	Target valuation	P/E 25
	Net profit 2024, mn €	141	Upside potential	101%

- A significant turnaround in earnings has already been achieved.
- Suffered from the sluggish years in the Vietnamese retail sector.
- Earnings growth of 30% is projected for 2025.
- The grocery chain is growing strongly, and its profitability is improving.
- An IPO for the grocery chain is expected within the next few years.
- The total value of the well branded retail chains is well above the market value of the listed MWG Group.
- The stock is heading back towards its former P/B valuations of 4.5–5.0.

Monthly sales per store for BHX, the grocery chain of MWG Group

Bn VND



Source: Mobile World Investment Corporation

The grocery chain Bach Hoa Xanh (BHX) opened 232 new stores in the first quarter of 2025 and now has over 2,000 stores. The chain has clearly found the right store sizes and effective practices for launching new stores, as it has been able to achieve immediate profitability even for the newly opened stores. It is crucial for success in the grocery business to identify the right store size and the product mix, and to optimise purchasing and logistics. In recent years, BHX has managed to increase its monthly sales per store from EUR 35,000 to EUR 70,000. At the same time, the chain's profitability has been substantially improved. The company's other primary retail chains are the market leaders in small electronics and household appliances, and they operate profitably. The market share of the grocery trade is growing relative to traditional wet markets, although they still play a very important role in the grocery shopping habits of people in Vietnam.

MWG share price (VND)



Source: Bloomberg

MWG's earnings growth stalled due to weak consumer demand in 2023, but a positive turn was achieved in the following year. Although we missed the bottom in 2023, we were able to increase the company's weight in our portfolio to 7% when stock price plummeted below VND 50,000, caused by US President Trump's tariff announcement. The stock may reach a high P/B multiplier, as the Group's branded retail chains would certainly have interested bidders at high prices if they were to become available in the M&A market. Based on the 2026 earnings forecast, the P/E ratio drops to 15. There is plenty of upside for this high-quality company's stock. MWG holds a leading market position in its selected retail categories.

MWG P/B

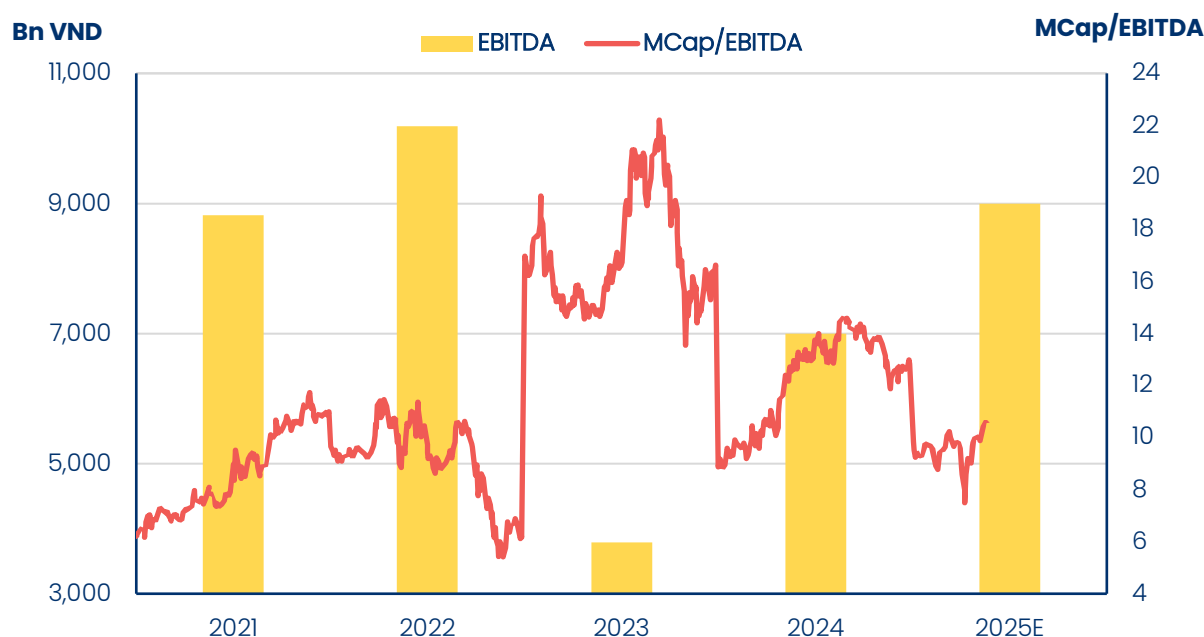


Source: Bloomberg

I was surprised when, at our Bangkok investors' club dinner few weeks back, three out of eight investors named MWG as their favourite stock for the next three months. My picks were STB and VIX.

The club has met regularly, once every quarter, for nearly two decades now, and the participating investors manage significant portfolios. One of the members is a value investor who has been nicknamed "the Warren Buffett of Thailand". He has written several books on investing, and his market insights have enabled him to accumulate considerable wealth. For the first 10 years, the stock picks of the club's members were focused on Thai stocks, but all of the members have allocated increasing weight to Vietnamese stocks in their portfolios since then.

Mobile World



Source: Bloomberg, PYN Fund Management

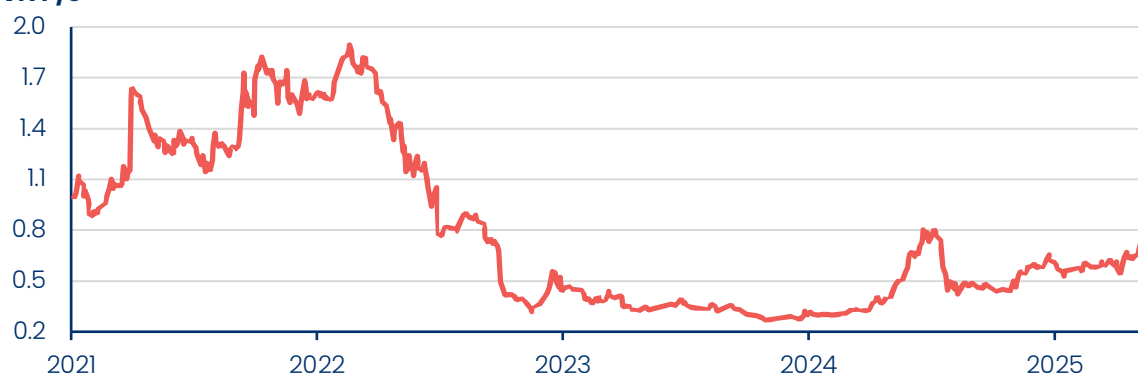
Vietnam Airlines



Revenue growth	1.5%	Market cap, mn €	2 905
Net profit growth	26.4%	Market cap target, mn €	5 300*
Revenue 2024, mn €	4 015	Target valuation	P/E 20
Net profit 2024, mn €	287	Upside potential	52%
		*dilution	

- In Q1/2025, the load factor reached the excellent level of 83.7%.
- The company's EBITDA rose by five percentage points in Q1.
- Equity is still negative, but the balance sheet is otherwise solid and the company is almost debt-free, excluding lease liabilities.
- A turnaround in earnings and a modest capital injection will see its equity return to black in 2025.
- The company had four years of losses between 2020 and 2023, starting from the COVID-19 pandemic.
- Potential restructuring/IPOs for the air cargo company and fuel company may be on the way.
- The P/S ratio could rise to 1.2–1.4 range over the next 12 months.

HVN P/S



Source: Bloomberg

The Vietnam Airlines stock has reached take-off velocity, but it is not yet at cruising altitude. The P/S ratio has seen a justified rise from 0.3 to 0.8, but we believe the level of 1.2–1.4 is achievable. In addition to an operational profitability turnaround in 2024, the year included one-off gains, but we are now witnessing a full year of the airline's operational efficiency improvement measures and the strong profit performance enabled by them. In addition, the company still has non-recurring income that has not been recognised yet, as well as plans to spin off subsidiaries. The moderate dilution in the latter part of the year will increase the P/S ratio, but there will still be upside remaining for the multiplier. EBITDA, which is a good indicator of the company's operational efficiency, improved by five percentage points year-over-year in Q1. Keep your seatbelts fastened due to the potential turbulence, as the stock has taken off like a rocket in recent weeks.

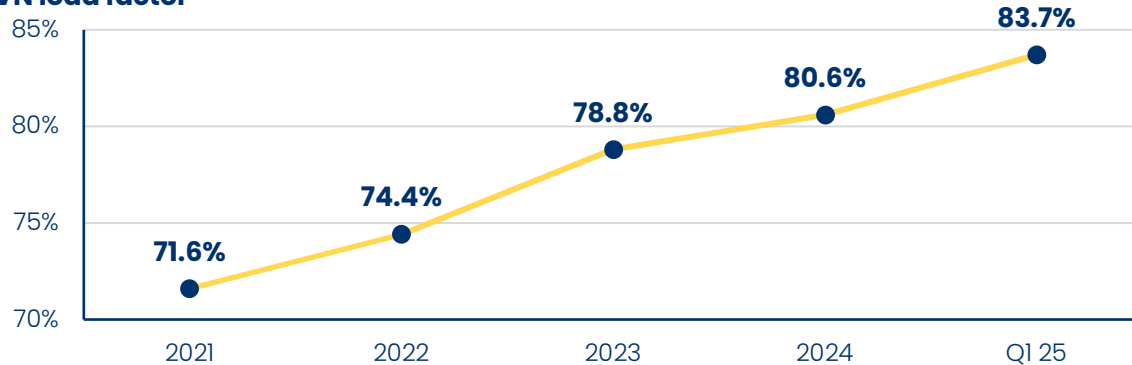
HVN share price (VND)



Source: Bloomberg

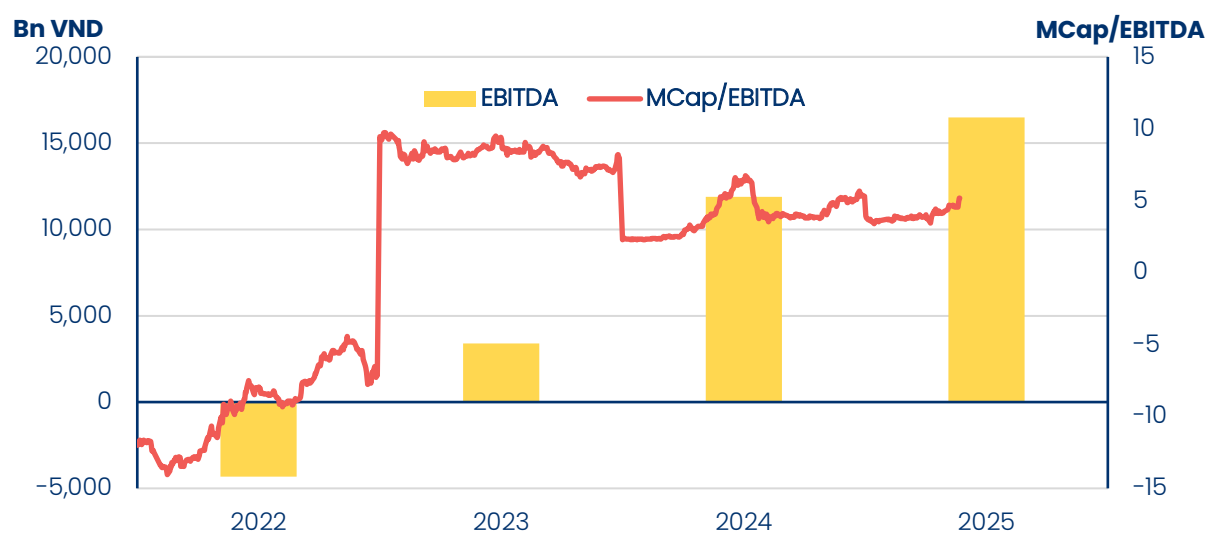
Vietnam Airlines' load factor reached 83.7%, a highly efficient level, in Q1. The 2025 looks to be an excellent year for the company due to its successful efficiency improvement measures.

HVN load factor



Source: Vietnam Airlines

The company's MCAP/EBITDA multiple is very reasonable



Source: Bloomberg, PYN Fund Management

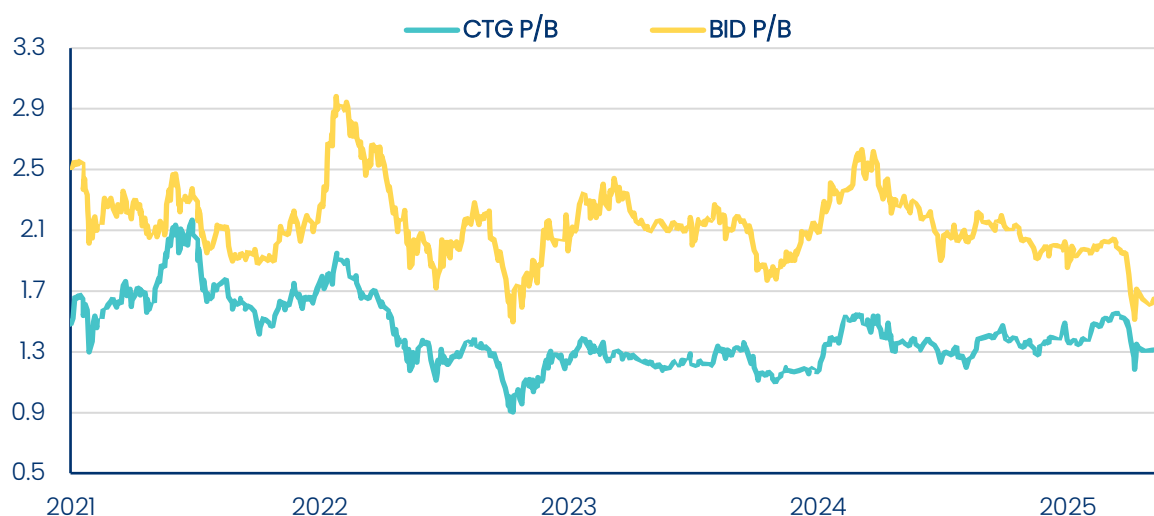
VietinBank



Revenue growth	15.1%	Market cap, mn €	7099
Net profit growth	21.8%	Market cap target, mn €	12 000
Revenue 2024, mn €	3 104	Target valuation	P/B 1.8
Net profit 2024, mn €	961	Upside potential	69%

- A stable state-owned commercial bank that benefits from large projects launched in the public sector.
- While in our portfolio, it has narrowed the valuation gap to the BID bank, as we expected.
- The earnings growth outlook is robust.
- We expect to see reversals of previously made technical provisions in Q2.
- The entire banking sector's valuation multiples should rise, driven by strong growth and a positive earnings growth outlook.
- Vietinbank (CTG) would deserve a P/B ratio of 1.8–2.0 as economic growth accelerates.

The development of the valuation gap between CTG and BID

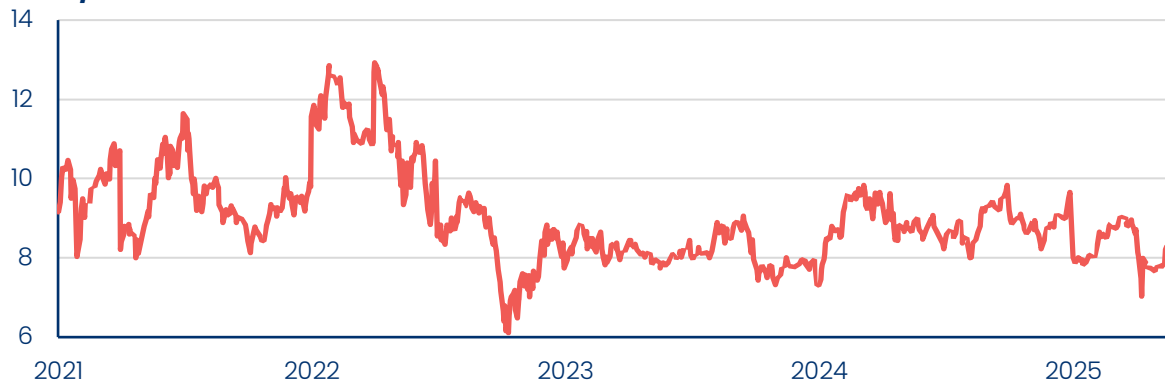


Source: Bloomberg

In line with our expectations, the P/B valuation gap between CTG and another state-owned bank, BID, has narrowed over time. State-owned commercial banks have higher valuations due to their characteristically low risk profiles in the banking sector, and their key role as primary lenders to many state-linked companies and institutions. BID has been viewed to be more efficiently managed than CTG, and this has caused a quite substantial valuation gap between the two banks. We expect the gap to be closed completely in the future. Both of the banks will see their P/B multipliers rise over the next 12 months as the banks' earnings growth and Vietnam's economic growth will boost the sector as a whole. Vietinbank benefits from accelerating public consumption and government-led investments.

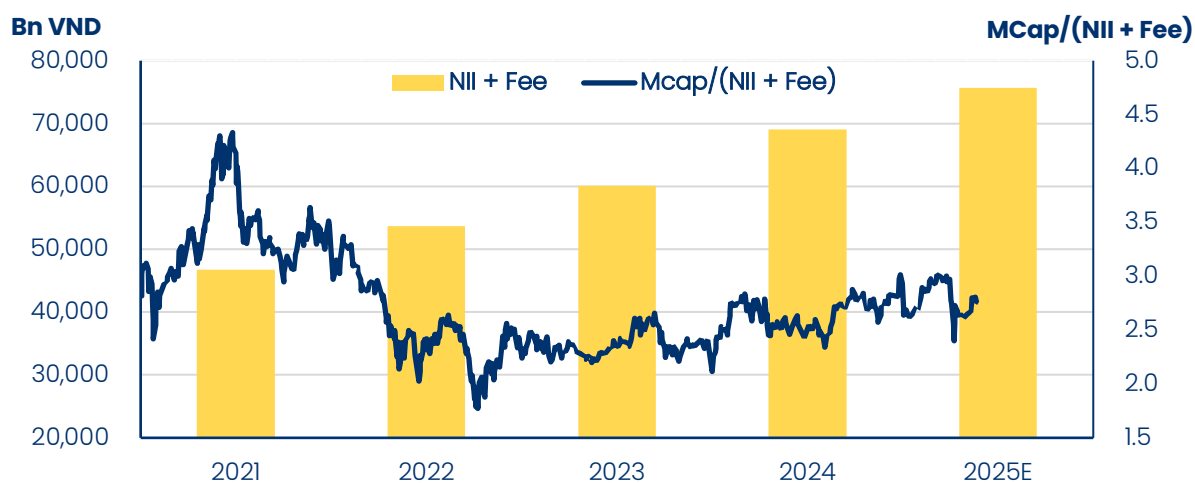
CTG share price (VND)

Source: Bloomberg

CTG P/E

Source: Bloomberg

Vietinbank's MCAP/EBITDA multiplier (for a bank, net interest income + net service revenue) is very low at 2.7, despite a solid upward trend in revenue growth. The multiplier of a financially sound state-owned commercial bank should be much higher, especially as the efficiency problems that have bothered the bank have been addressed and there are strong, profitable years ahead.

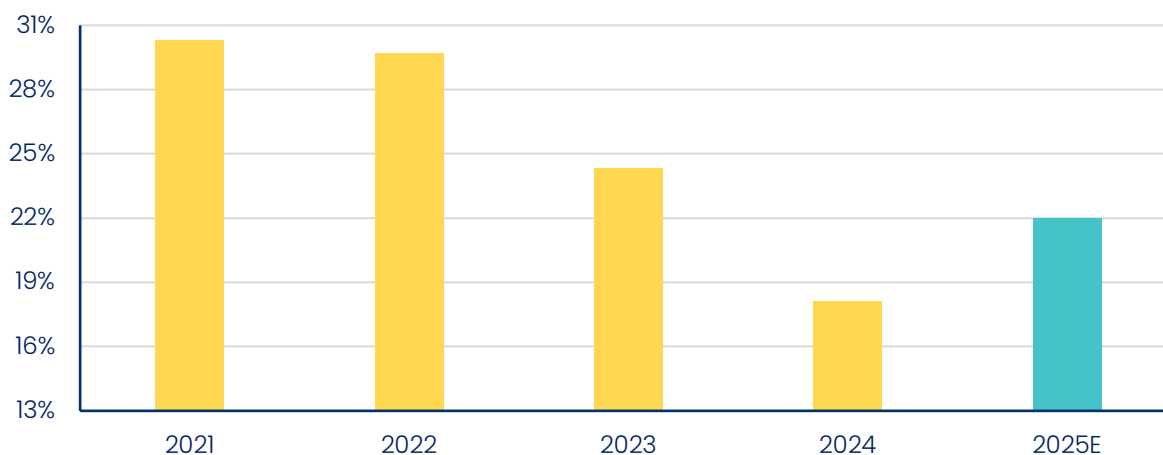
VietinBank

Source: Bloomberg, PYN Fund Management

VIB

 Portfolio weight 4.9%	Revenue growth	20.3%	Market cap, mn €	1 847
	Net profit growth	17.1%	Market cap target, mn €	4 500
	Revenue 2024, mn €	780	Target valuation	P/B 2.2
	Net profit 2024, mn €	273	Upside potential	144%

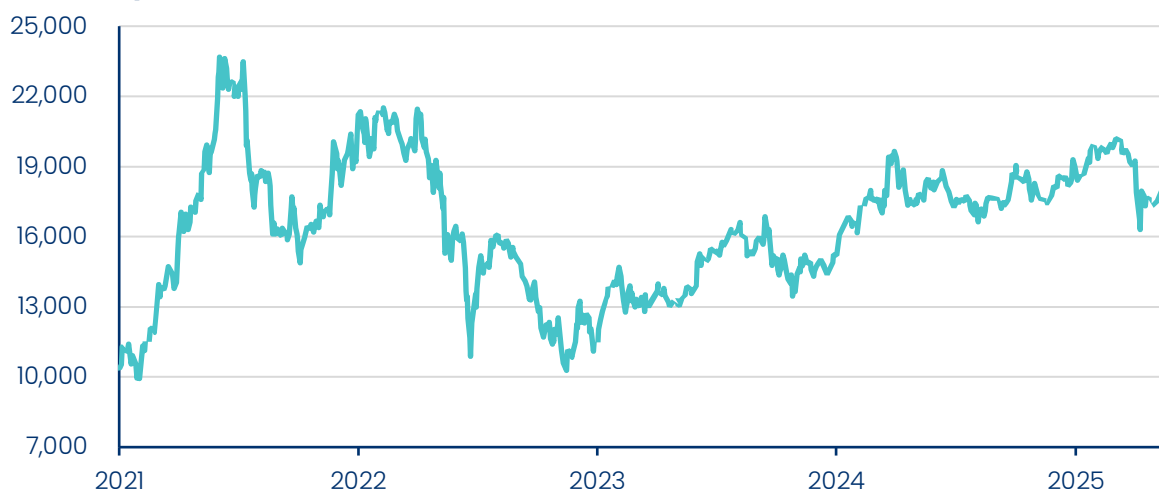
- The major shareholders and the management increased their holdings in autumn 2024 during the bottoming in the banking cycle.
- The bank's shares in the foreign quota (F shares) are rarely available, but we managed to add a large block to our portfolio in February 2025.
- The bank's ROE bottomed out in 2024 and will trend upwards in the coming years.
- A highly profitable bank whose ROE used to be in the range of 25–28% and is now on its return to the level of 25%.
- Bank is about to get a new foreign strategic partner.
- Gains will be driven by the bank's owners and management. Logical to ride the same wave.
- The market cap to revenue multiple is only 2.3, when VIB's multiplier should be 5x–6x.

VIB is extremely profitable. ROE fell to 18% during the weak cycle.**VIB ROE**

Source: Bloomberg, PYN Fund Management

The cyclical downturn occurred during 2023–2024, and the company is now starting to move towards higher ROE levels. We expect the bank to reach an ROE level of at least 22% in 2025.

VIB share price (VND)

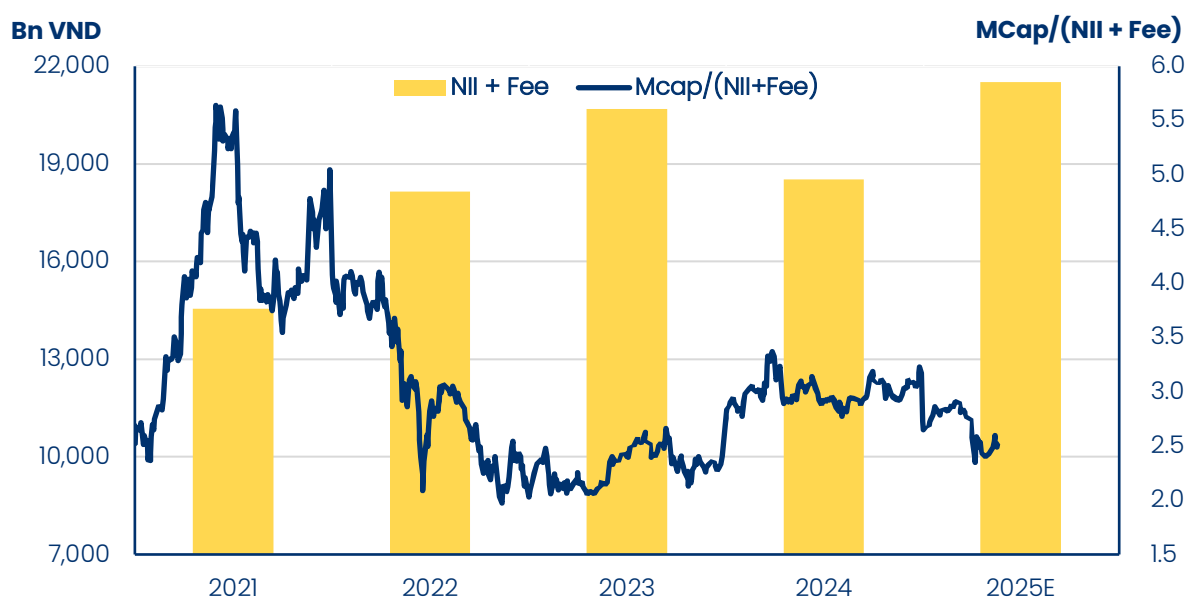


Source: Bloomberg

VIB's key shareholders and executive management significantly increased their holdings in the bank when the Commonwealth Bank of Australia (CBA) had to sell its shares last summer in line with guidance of the Reserve Bank of Australia. In recent years, CBA has also exited positions in other Asian banks, as it has had to bring back capital to the Australian financial market. We managed to secure a sizeable chunk of the shares previously held by CBA.


VIB is an excellent bank with a strong retail customer base. We were able to invest in the bank at an opportune time, during a cyclical downturn, following in the footsteps of its major shareholders and management. After a relatively weak Q1, the stock is still trading below our entry price, but PYN Elite's expectations for the stock's upside are high as its interest margins improve from one quarter to the next.

VIB



Source: Bloomberg, PYN Fund Management

VIX

 Portfolio weight 4.1%	Revenue growth	33.3%	Market cap, mn €	666
	Net profit growth	41.6%	Market cap target, mn €	1 300
	Revenue 2024, mn €	70	Target valuation	P/E 15
	Net profit 2024, mn €	25	Upside potential	95%

- VIX has previously had a P/B ratio as high as 3.0.
- VIX operates much like an investment company with a strong balance sheet.
- Its own investments have seen steeper gains than the VIX share.
- We expect the stock's performance to improve further with a delay.

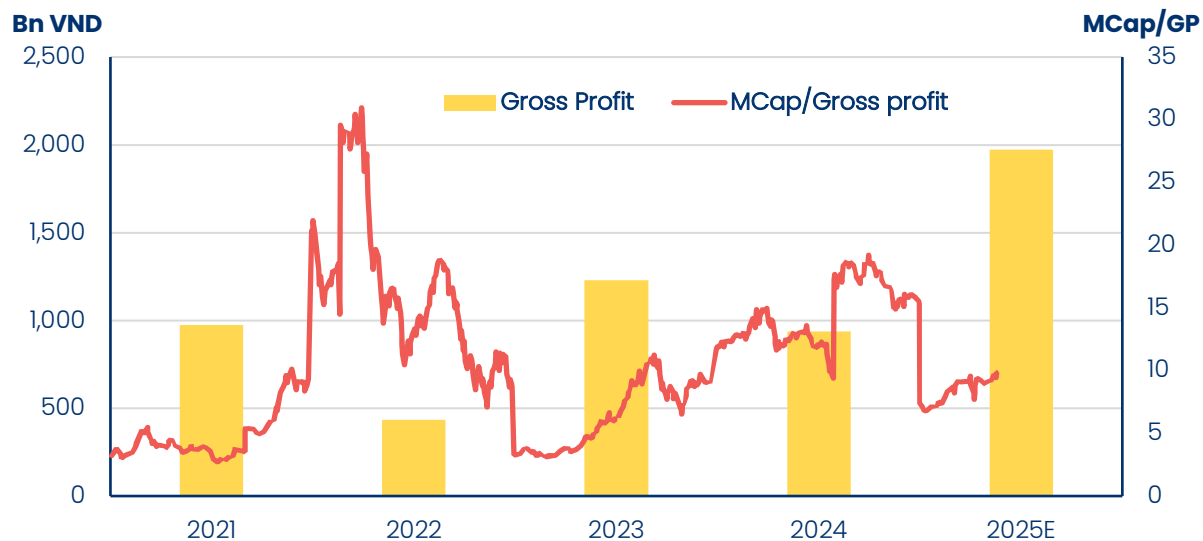
VIX P/B

Source: Bloomberg

Perhaps our most speculative portfolio position. VIX Brokerage does not play a central role in commission race between brokers for clients' buy and sell orders. Instead, the company has a strong balance sheet and interesting holdings in its own portfolio. In addition, the company is well connected and it has also been successful in short trading in the stock market. In good market conditions, deserves to rise to high P/B valuations, as has been the case in the past. VIX is currently trading at a moderate P/B ratio of 1.2.

VIX share price (VND)

Source: Bloomberg

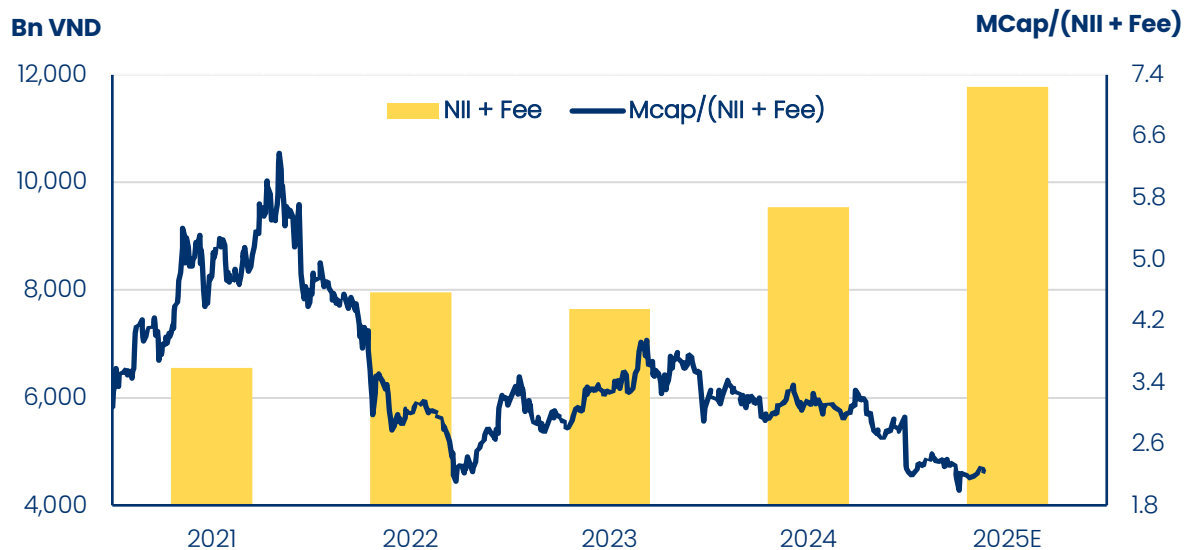
VIX

Source: Bloomberg, PYN Fund Management

OCB

Revenue growth	8.8%	Market cap, mn €	899
Net profit growth	4.2%	Market cap target, mn €	2 000
Revenue 2024, mn €	382	Target valuation	P/E 1.5
Net profit 2024, mn €	120	Upside potential	122%

- The bank's new CEO has made promising hires for key executives to run bank's profit centres.
- Earnings performance has not yet lived up to our expectations.
- Gross revenues saw good growth in 2024, but earnings were negatively affected by bookings of loan provisions.
- A key turnaround is expected in 2025.
- Resolution 42 of the National Assembly will enable additional income for banks through the faster realisation of collateral.
- OCB is one of the clear upside candidates for H2/2025.

OCB

Source: Bloomberg, PYN Fund Management

OCB's share has become too cheap. A respected and experienced banker was appointed as OCB's chief executive a year ago. We believe he will drive earnings growth and restore the valuation of the stock.

Resolution 42, which will be on the agenda of the National Assembly in June, is sure to bring substantial prospects of additional income even during the remainder of the year. The resolution was presented to the National Assembly in the third week of May by the Governor of the State Bank of Vietnam. The proposal has been reviewed and the decision will be made in mid-June. Under the past practice concerning collateral, it has not been possible for banks to realise collateral from customers in payment defaults without a collateral ownership transfer process, which means that banks have had to take legal action against their customers. Under the new legislation, banks could gain control of the collateral immediately if the customer becomes insolvent. While the law will apply to all banks, it has particularly meaningful relative significance for small and medium-sized banks.

OCB share price (VND)

Source: Bloomberg

Vietcap

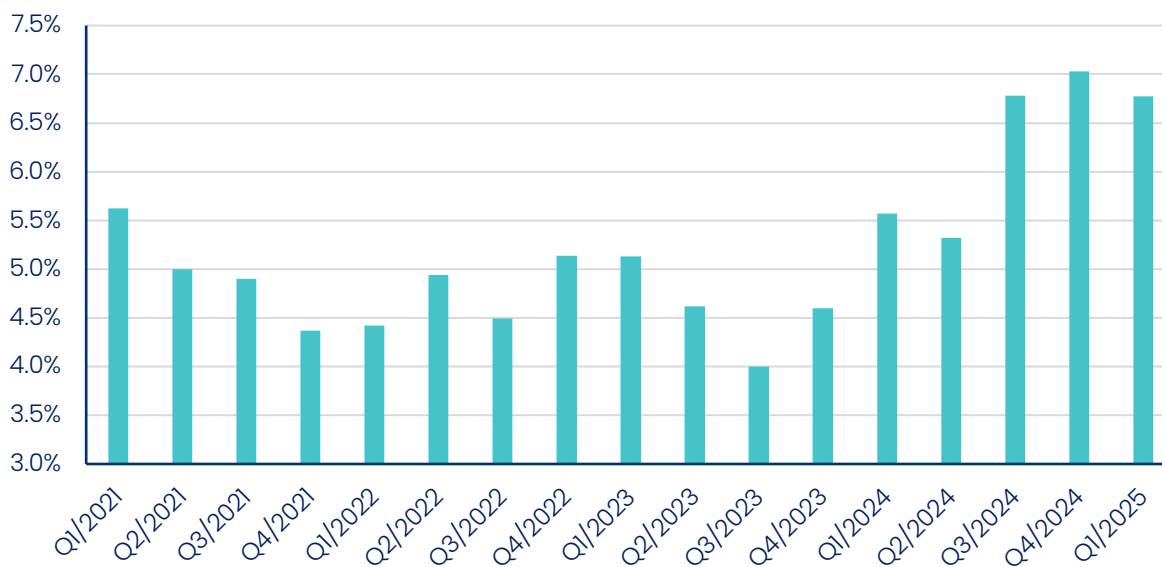
Vietcap ▲
Portfolio weight
3.4%

Revenue growth	19.1%	Market cap, mn €	887
Net profit growth*	22.0%	Market cap target, mn €	1 800
Revenue 2024, mn €	140	Target valuation	P/E 18
Net profit 2024, mn €* *Total comprehensive income	63	Upside potential	103%

- Gaining market share.
- Interesting portfolio investments of its own.
- The investment bank's deal flow is still ahead.
- If FTSE upgrades Vietnam's market classification, the decision may activate large international institutions, which are an important client segment for VCI.
- Earnings may rise quickly.

Vietcap's market share has been increasing

VCI market share on HoSE



Source: HoSE

As trading activity in the stock market picks up, Vietcap will also earn additional income from its investment bank operations. When Vietnam's country classification is upgraded, we expect Vietcap to increase its market share further as foreign institutional investors become more active. It is realistic for Vietcap to reach a market share of 8–10% in the coming years.

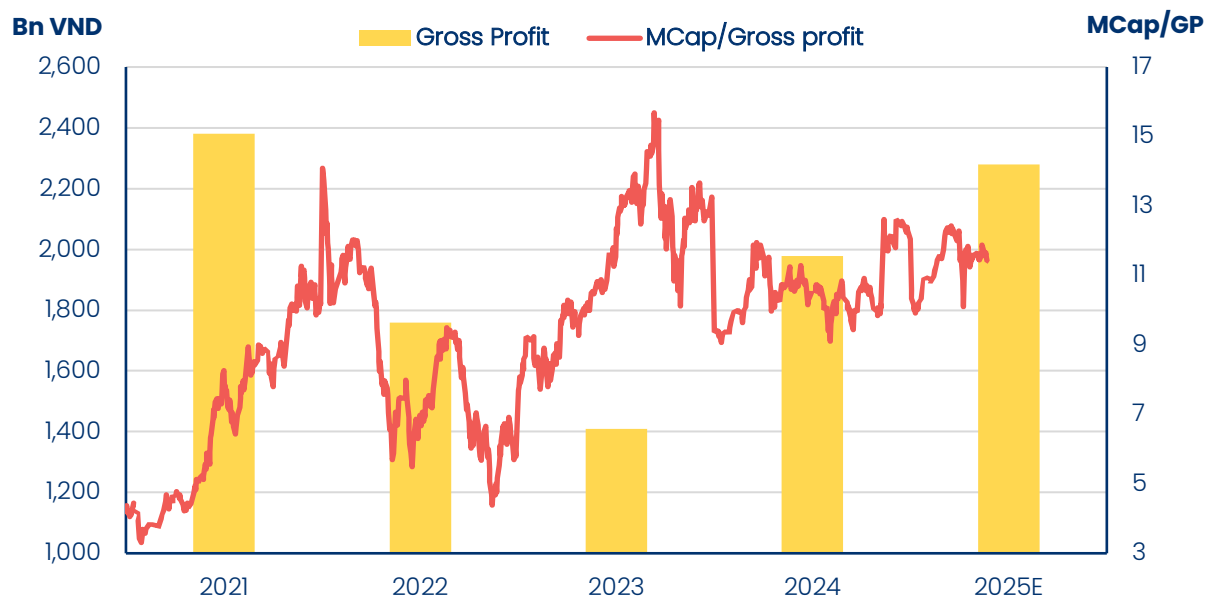
VCI share price (VND)



Source: Bloomberg

VCI's share price has been rising slightly. We participated in the company's private placement in September 2024. Shares were offered at a 20% discount on the market price. The deal included a 12-month lock-up, which means that it will not be possible to sell these shares in our portfolio until autumn this year.

Vietcap



Source: Bloomberg, PYN Fund Management

FINALLY

Energetic President Trump has made it extremely challenging to predict the macro-economic events in near future. It is likely that the United States' self-serving political manoeuvring and opportunistic stance towards the rest of the world could lead to an additional economic growth when countries need to seek new trade partnerships, support domestic growth and increase their R&D investments to reduce their dependence on the US. In April, Trump memorably slapped 46% tariffs on Vietnam, accompanied by the shocking chart. That was soon followed by the announcement that the published tariffs would not be implemented after all.

The Trump administration has published strange claims about Vietnam's relations with China. According to Trump, the two countries negotiated in order to figure out how to screw the United States. At the same time, the President has repeatedly said he loves Vietnam. Vietnam is sure to intensify its trade-related cooperation with a very broad group of partners in the future, but it still regards the United States as an important partner, particularly in the field of technology. The latest information on the tariff negotiations between Vietnam and the US has been encouraging. There is reason to believe that a reasonable trade agreement between the US and Vietnam could be reached during June.

I hope that you have enjoyed reading this review of the key holdings in the PYN Elite portfolio as much as I enjoyed writing it. There are lots of strong ideas and interesting opportunities among the companies in our portfolio.

The next subscription day for PYN Elite will be on 30 June 2025.

Best regards from Asia,

PYN ELITE
Petri Deryng
Portfolio Manager

Important information regarding investor letter and the fund

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

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