

PYN ELITE PORTFOLIO REVIEW

THE WAR

The military action taken by the United States and Israel against Iran has caused volatility in equity markets, especially in Asia. This is due to the vast quantities of commodities exported by the Gulf states to Asia, including oil, natural gas and urea for use in fertilisers. While Vietnam does have oil production of its own, the country's strong economic growth means that it currently needs to import over 60% of the crude oil to fill in the gap. Investors have been sensitive to oil price movements, and the uncertainty stemming from the war has weighed on the equity markets.

In our view, the most likely scenario is that the military campaign by the US and Israel will be relatively short in duration. We also believe that Iran will end its overt countermeasures thereafter, allowing oil and other commodity flows to normalise. It seems politically highly unlikely for large-scale hostilities to continue for months. Unfortunately, violence will not cease with the end of the war. Retaliatory measures by Iran, and isolated acts of terror, can be expected in the coming years.

Since the outbreak of the war, the PYN Elite fund's trades turnover value has amounted to approximately EUR 200 million, representing the sum of all purchases and sales. The tensed sentiment has caused significant pullbacks in the stock market and declines in our NAV. While these events were unwelcomed, they also create opportunities for reallocating the portfolio's positions. We have been able to take profits on holdings that have remained resilient and rotated into more heavily hit stocks, or companies for which the outlook for the coming months is especially attractive.

FUND FLOWS IN THE VIETNAMESE STOCK MARKET

US stocks have long dominated the global investment flows, resulting in a significant overweight position in the equity markets. However, a year ago, the sell-off in US tech stocks, combined with the weakening of the dollar, acted as a catalyst for capital flows to pivot more towards European and Asian equities. Emerging Markets have seen net inflows over the past 12 months. In Asia, capital flows have been concentrated particularly in Chinese tech stocks and the Japanese and Taiwanese equity markets.

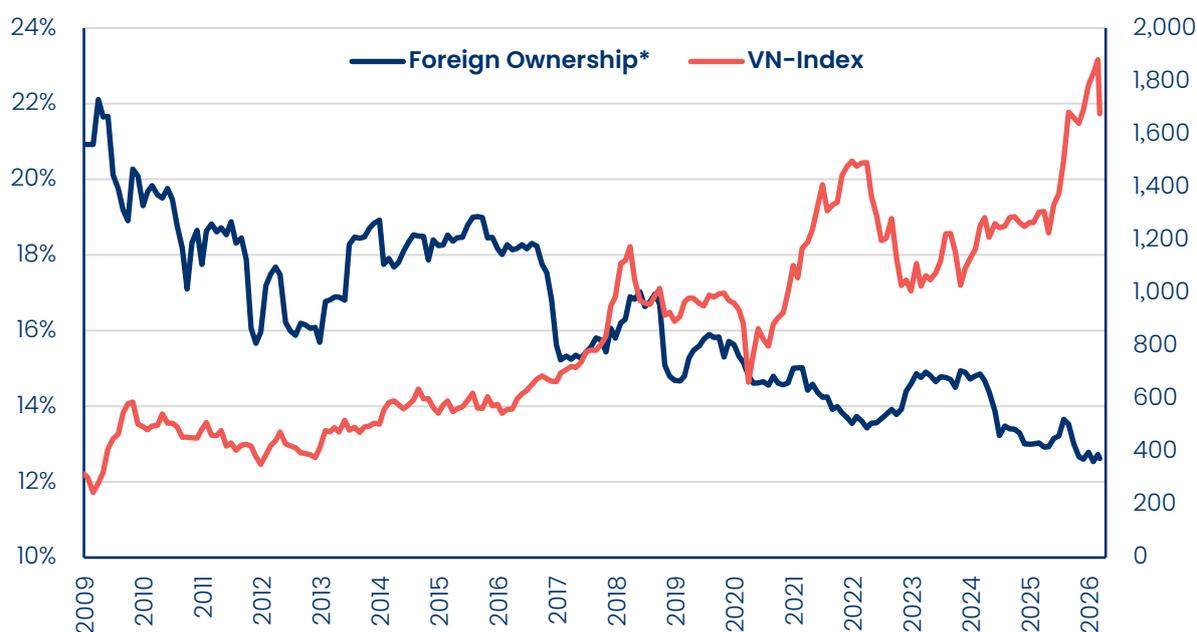
In October 2025, the global index provider FTSE announced its decision to upgrade Vietnam from Frontier to Emerging Market status during 2026. According to the schedule, the FTSE is expected to confirm the reclassification on 8 April. Following the confirmation, funds that track FTSE indices will

start investing in Vietnamese stocks next autumn. It is also possible that the index provider MSCI could place Vietnam on its watch list for potential future reclassification at its June meeting.

In any case, the FTSE upgrade alone is poised to drive passive index-tracking capital flows into the Vietnamese market. Foreign actively managed funds also follow these capital flows in many cases. Foreign ownership in the Vietnamese equity market is currently at just 12.6%. The corresponding figures for other Asian equity markets with EM status are 37% for Thailand, 39% for Indonesia and 14% for Malaysia.

Foreign ownership has been falling, despite rising market

Fund flows turned to EM markets in 2025 but are not yet visible in Vietnam.



Per 10 Mar 2026

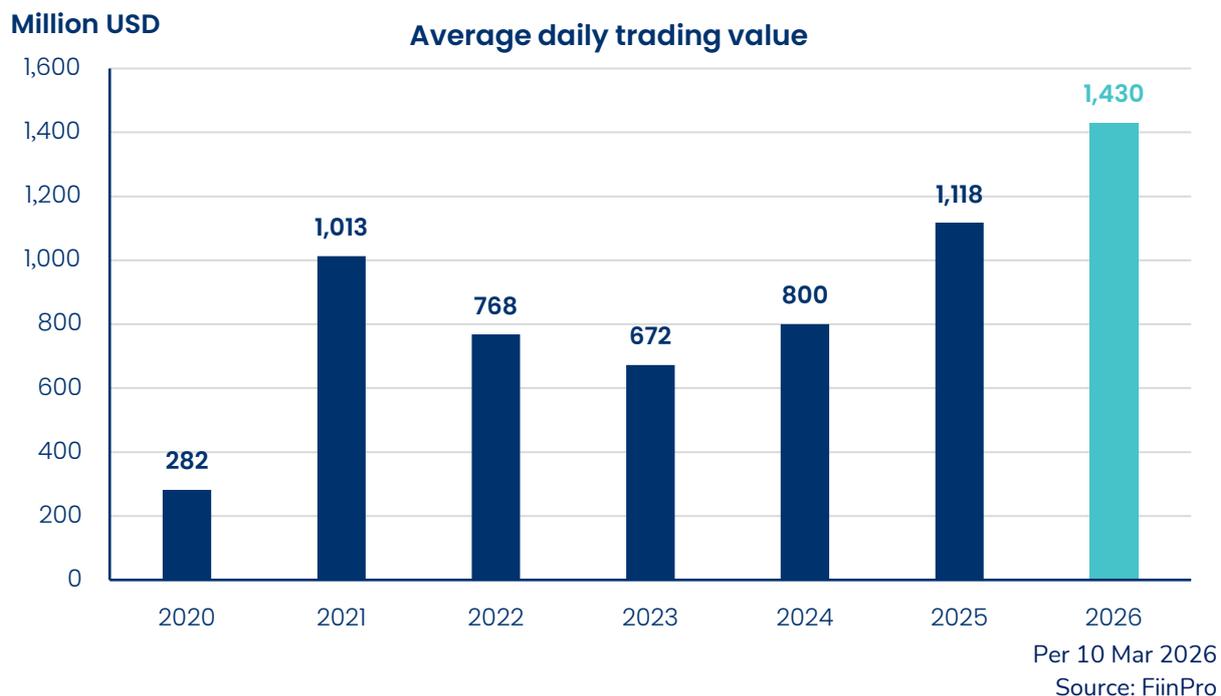
Source: FiinPro, Bloomberg

*Foreign ownership data covers the all 3 Vietnam stock indexes

HIGH TRADING VOLUMES

Trading volumes in Vietnam have been strong. Since 2025, the daily turnover has been well in excess of a billion dollars. This surpasses the trading volume of many equity markets with EM status: in 2025, the corresponding figures were USD 902 million for Indonesia and USD 486 million for Malaysia. Trading in the Vietnamese equity market is dominated by local investors, who account for 90% of the daily trading volume, and sometimes even more.

Market turnover meets EM market criteria



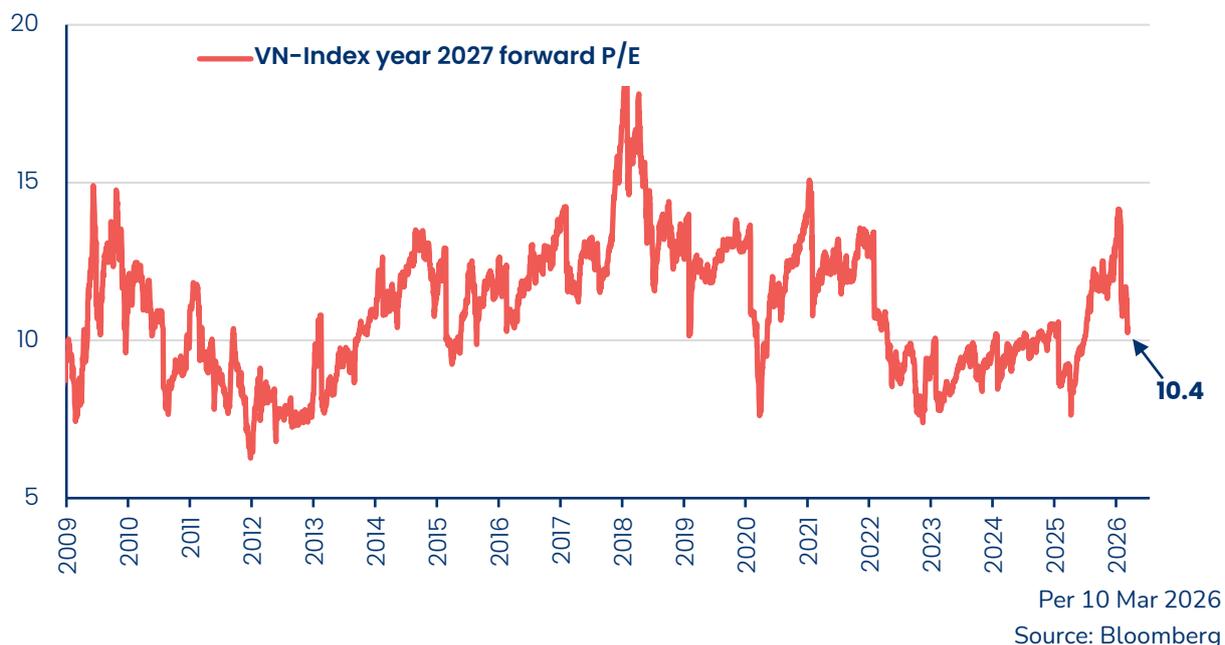
THE P/E OF THE VIETNAMESE STOCK MARKET

Based on 2027 earnings forecasts, the Vietnamese equity market is trading at a P/E of 10.4. It should be noted that this includes Vingroup stocks, which drove the VN-Index upward significantly last year and make the P/E figure pricier as the main VIC stock reach demanding valuations off its fundamental values.

Excluding the four Vingroup stocks, the Vietnamese equity market's forward P/E multiples are 9.9 for 2026 and 8.2 for 2027. We remain confident in the broad based companies earnings growth, as state infrastructure projects stimulate domestic demand and also accelerate private sector investments.

If the US attack on Iran were to be prolonged, it could undoubtedly also dampen Vietnam's economic growth. However, a complete stalling of growth momentum would require a sustained disruption to the oil supply.

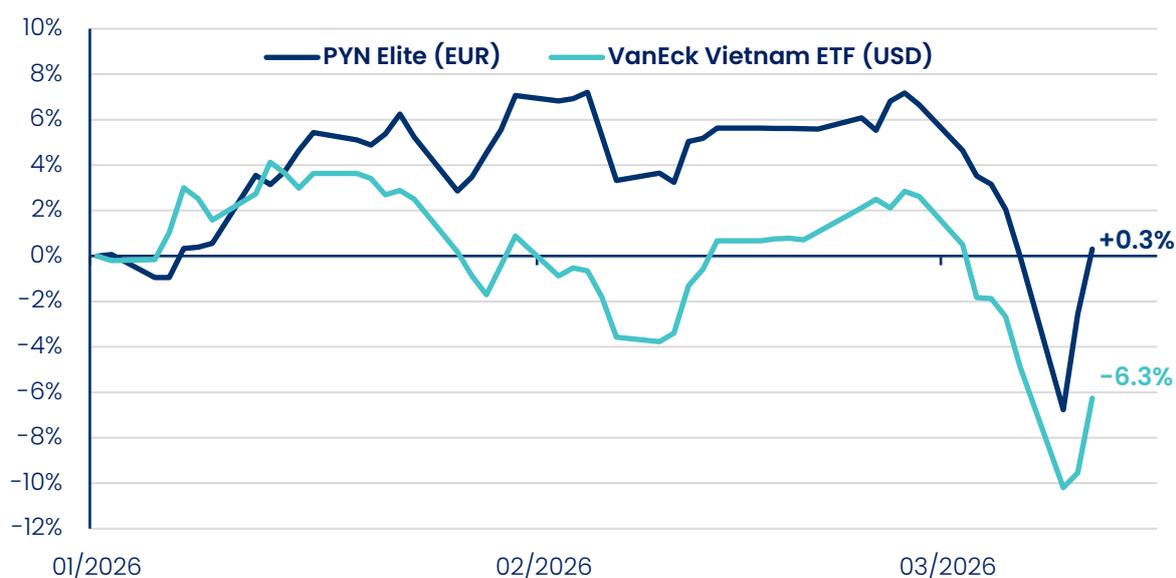
Earnings growth keeps the market modestly valued



2026 – THE YEAR OF ACTIVELY MANAGED FUNDS?

The Vingroup companies, given their significant index weight, drove the VN-Index last year and bolstered the ETF returns relative to actively managed Vietnam funds. However, since the beginning of 2026, market performance has broadened across sectors and industries, with a larger number of individual stocks delivering strong returns.

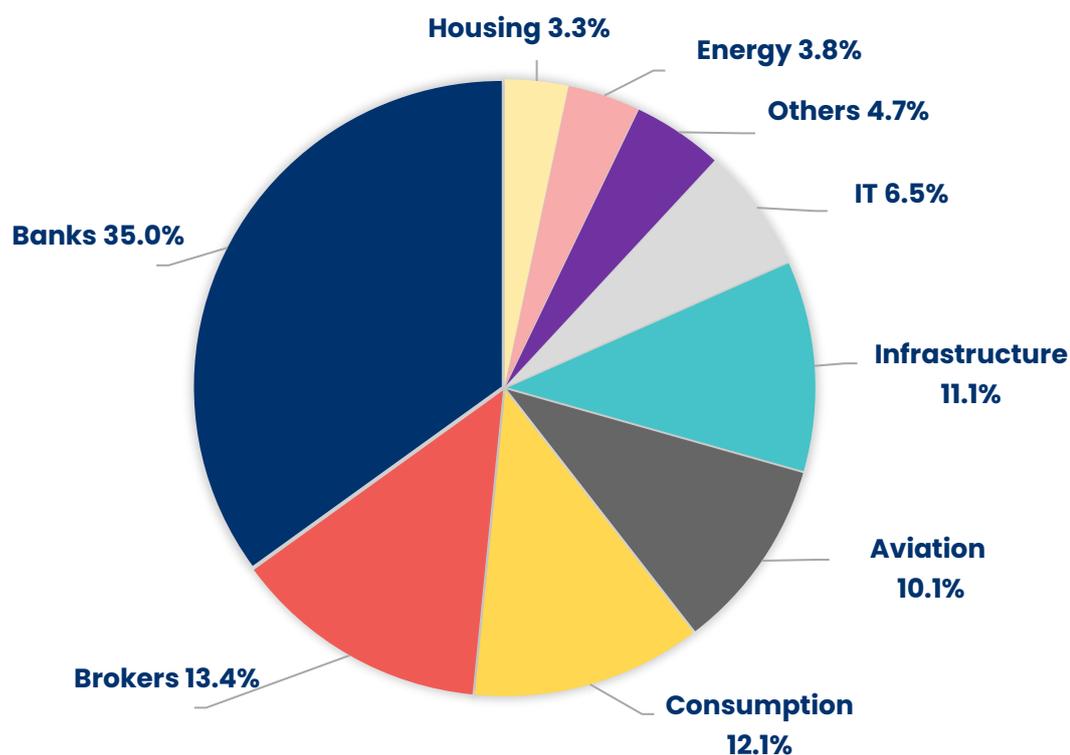
Stellar performance of ETF funds in 2025 not repeating in 2026



PORTFOLIO REALIGNMENTS

The steel company HPG is the latest stock to built up to a significant weight in our portfolio. HPG will play a significant role as a steel supplier in the country's infrastructure projects in the coming years, but the company is particularly interesting due to its huge real estate projects. HPG is involved in the government-led new construction projects, and master plan for the Red River Boulevard development in Hanoi's riverfront area is set to be announced by the summer. The first phase alone covers 700 hectares.

PYN Elite has reallocated partially its bank exposure into new holdings



Per 11 Mar 2026
Source: Bloomberg

LARGEST POSITIONS

STB Bank was added to the portfolio in November 2022. We have substantial unrealised gains in this position, but the story continues and we see further upside. More about STB later in the Investor letter.

MWG is Vietnam's leading multichannel retailer. We have followed the company for a long time and realised strong gains from it a few years ago. We re-established a position in MWG in spring 2025. We expect all of MWG's retail chains to achieve robust growth in the coming years. MWG's DMX retail chain, which focuses on home appliances and electronics, will be listed separately in April, which will give it a standalone valuation.

MBB is a bank whose share price has risen by about 50% over the past year. While the bank can be expected to deliver solid earnings growth in 2026, we have recently reduced our exposure to MBB.

Vietnam Airlines (HVN) will announce ok earnings for Q1, but its earnings for March will reflect the difficulties the company has experienced due to the sharp rise in jet fuel prices. We expect the stock to recover when the oil market stabilises.

FPT is Vietnam's leading IT company. We established a position last year following a pullback in its share price. We have reduced our exposure during the early part of this year, although our expectations of the company's earnings growth have not changed. FPT's stock has fallen in line global software and application stocks, even though FPT has a more diverse business. We may re-establish a larger position in FPT later. We expect the company to report good earnings for Q1.

TCX was added to our portfolio last autumn when we participated in its IPO. TCX is the undisputed leader in Vietnam's asset management industry across multiple metrics. We expect the company's earnings to grow particularly rapidly in 2026 as the corporate bond market accelerates.

PYN Elite portfolio companies have robust earnings outlook

Company	Weight	Earnings billion VND			P/E		
		2026	2027	2028	2026	2027	2028
STB	14.9%	13,350	17,903	22,134	9.2	6.8	5.5
HPG	10.7%	20,962	26,875	36,286	9.9	7.7	5.7
MWG	9.4%	9,200	10,934	12,808	13.4	11.4	9.9
MBB	8.2%	27,496	35,054	45,363	7.8	6.1	4.7
FPT	6.3%	10,005	12,206	14,696	13.7	11.3	9.5
HVN	5.6%	6,045	7,992	8,951	11.7	8.9	11.2
TCX	4.9%	6,971	9,173	12,868	17.5	13.3	12.3
Total	60%						
Aggregated P/E					10.6	8.2	6.8

Per 10 Mar 2026

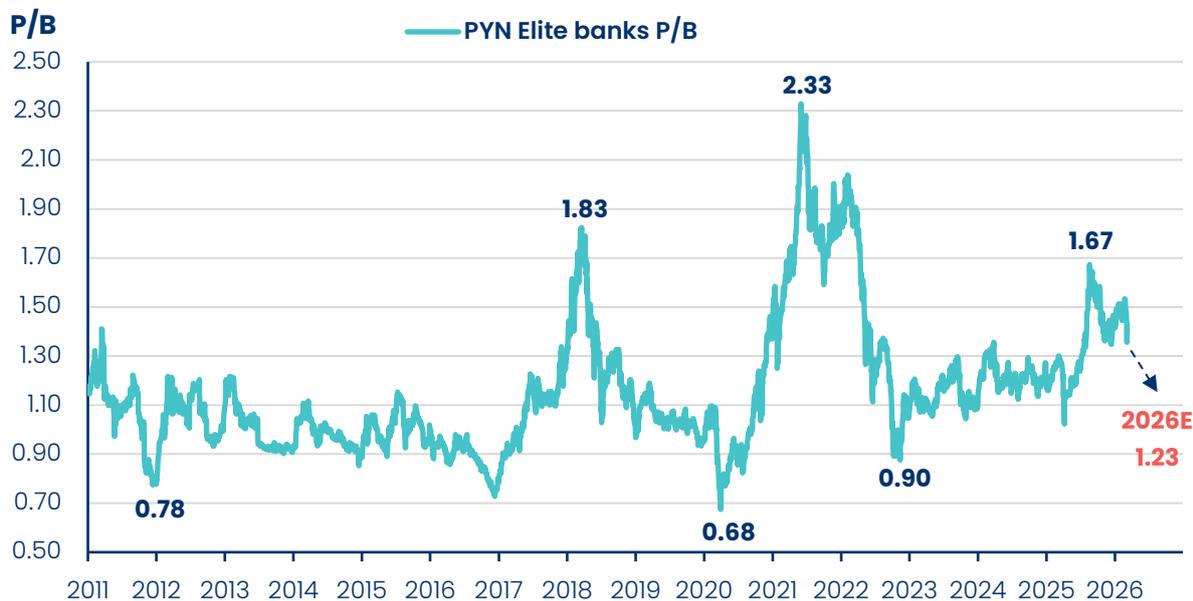
Source: PYN Fund Management

THE MERITS OF BANKING EXPOSURE

Our exposure to banks has decreased as we have taken profits in the sector. However, banks still have a large weight in our portfolio, and their valuations remain moderate. In our view, it is possible that, as Vietnam's economic growth strengthens further, the P/B ratios of banks will approach previously

higher levels. Domestic demand in Vietnam will become the driver of the economy, which bodes well for the loan growth and the expansion of banks' fee-based services.

Our banks remain attractively valued



Per 10 Mar 2026

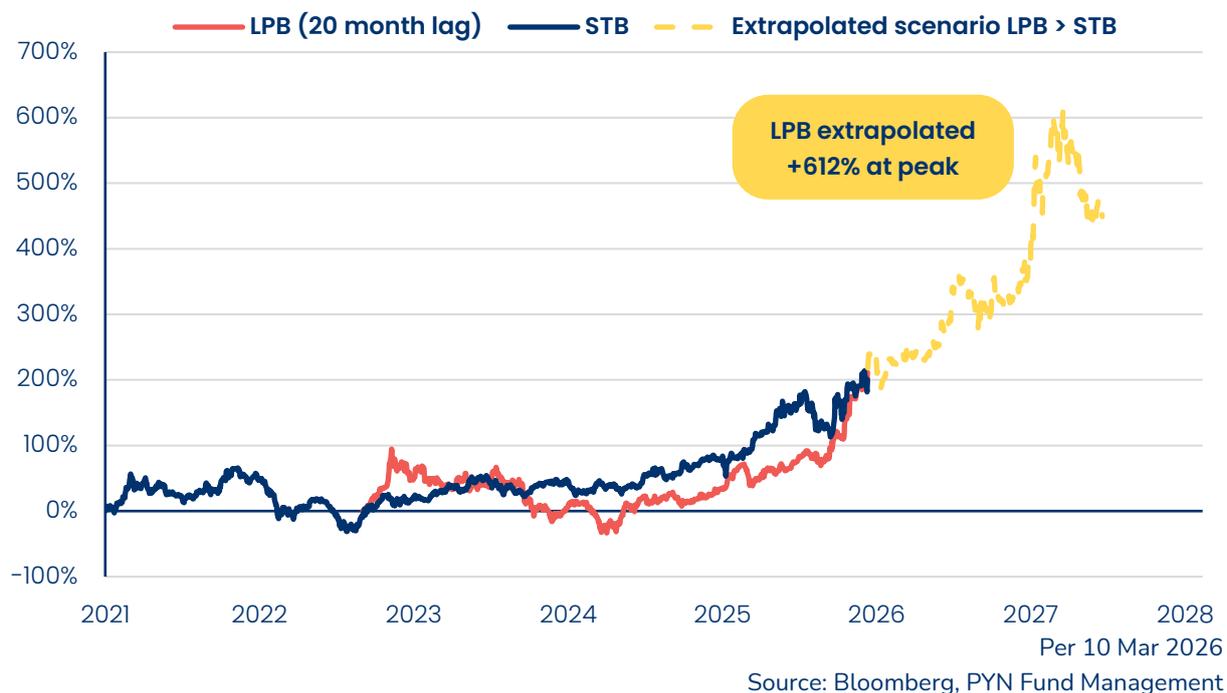
Source: Bloomberg, PYN Fund Management

STB IS THE DARK HORSE IN THE PORTFOLIO

Sacombank (STB) is a very distinctive case in our portfolio. The bank's restructuring process, which has constrained its growth, has now lasted for ten years. The ongoing arrangements have created a complex web of interests around the bank that is difficult to fully verify and describe. In December, a business-minded CEO was appointed to lead the bank. He and his related parties also have clear ownership interests in the bank. Nguyen Duc Thuy was Chairman of the postal bank LPB before taking the helm at STB. Owing to his track record at LPB, he has an excellent reputation, and Vietnamese retail investors believe that everything Mr. Thuy touches turns gold.

Without commenting on Mr. Thuy's magic touch, it is proven that LPB's earning growth and share price performance got a real boost during his tenure. We have extrapolated LPB's share price performance over his tenure forward by 20 months. The chart is striking, but it remains to be seen whether Thuy can replicate this success at STB.

STB appointed a new CEO in December – strong track record from LPB share performance



WE ARE FOND OF VIETNAM'S TRADITIONS, BUT WE INVEST IN THE COUNTRY'S FUTURE

For many foreigners, Vietnam is still associated with images of rice fields, bicycles and the conical nón lá hats worn by farmers. However, the key drivers of the country's future are modern.

Vietnam has invested heavily in IT education. Last year, Vietnamese game studios ranked second globally for the number of online games released for international distribution. The adoption of digital payment solutions in Vietnam is substantially higher than in many other developing economies in Southeast Asia, such as Thailand or Indonesia. Among Southeast Asian nations, Vietnam has invested the most in renewable energy. Gender wage parity in Vietnam is on par with that of highly developed economies such as Finland. Moreover, according to a recently published report, the proportion of women in senior executive positions in Vietnam's corporates, is on average, higher than elsewhere around the world.

Eye-opener for Modern Vietnam: small gender pay gap and high female representation in top executives



According to Grant Thornton's *Women in Business 2025* report, the percentage of women in senior leadership positions in Vietnamese businesses has increased from 33.4% in 2024 to 37.4% in 2025.

Source: Grant Thornton

We remain optimistic about Vietnam's prospects and the equity returns potential across the short, medium, and long term.

The next subscription day for PYN Elite will be on 31 March 2026.

Wishing you a peaceful spring,

PYN ELITE
Petri Deryng
Portfolio Manager

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PYN Elite

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