



PYN ELITE

PYN Elite – Presentation

June 2020

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 **)

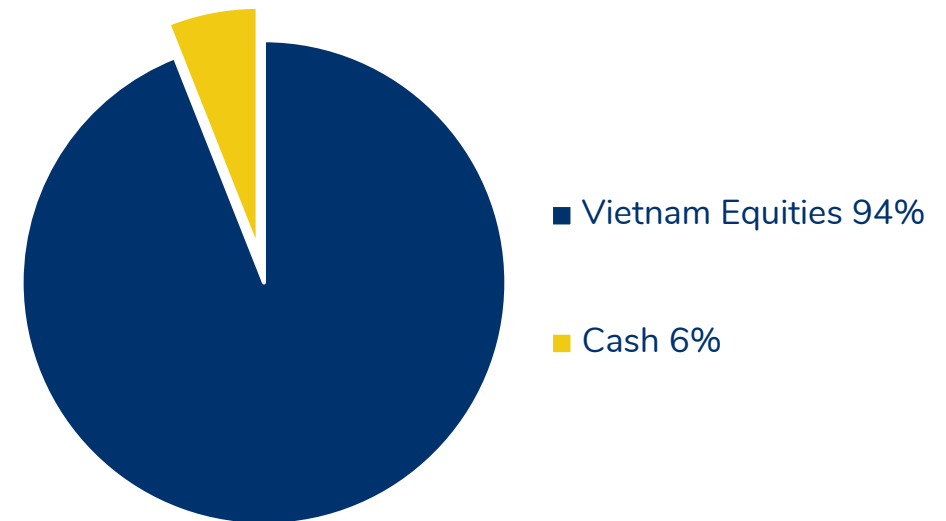
Assets (10.06.2020) 425 m EUR

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

* The subscription fee for subscriptions of 3M EUR or more is 5 %.

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

Fund allocation



As of 10.06.2020

PYN Elite 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

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

Top Holdings

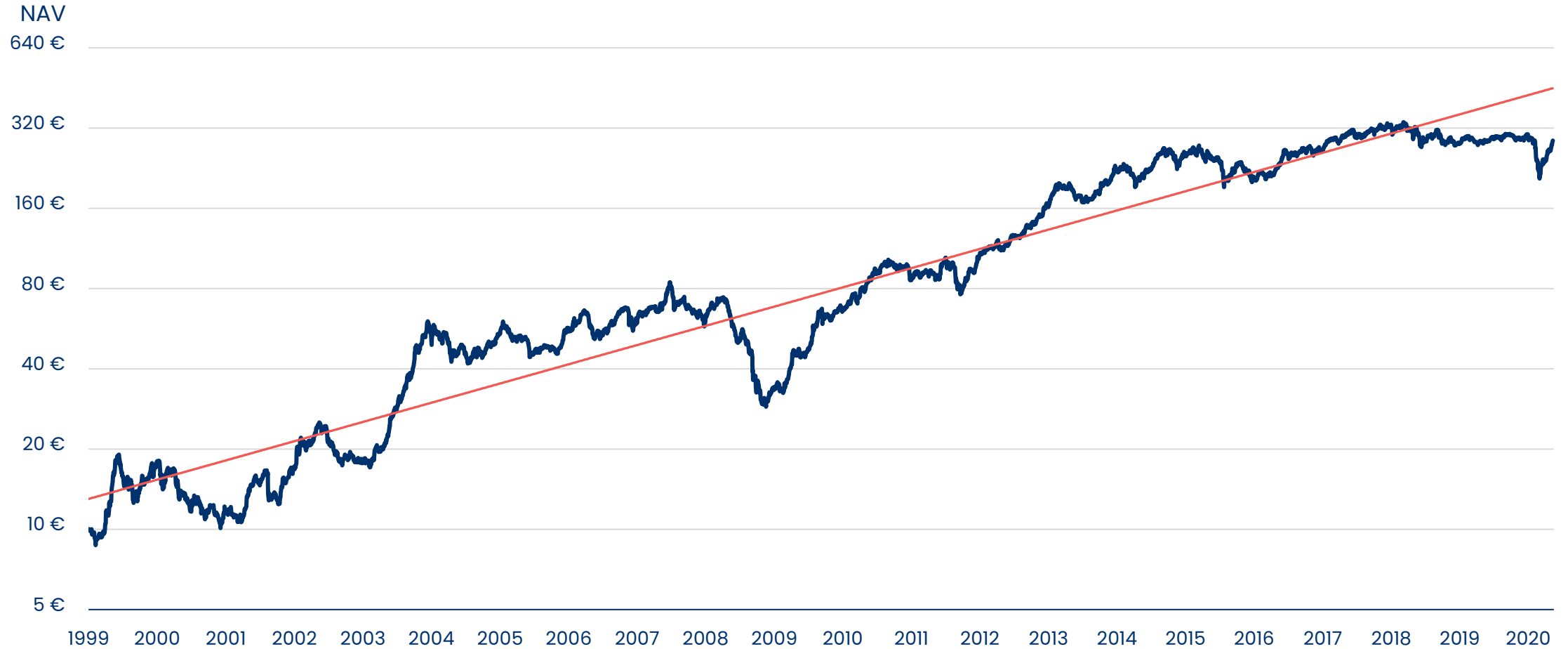
| Company | 2019 | 2020E | 20EE | PYN Elite upside (E) | Company | 2019 | 2020E | 20EE | PYN Elite upside (E) |
|---------------------------------|---------|---------|---------|-------------------------|--|---------|----------|---------|-------------------------|
| VEA: VEAM 10.8% (44 000) | | | | | ACV: Airports of Vietnam 4.8% (66 500) | | | | |
| Revenue | 4 488 | 3 589 | 11 000 | 105 % | Revenue | 18 329 | 10 094 | 25 000 | 66 % |
| Earnings | 7 214 | 4 955 | 10 500 | | Earnings | 7 510 | 2 051 | 12 000 | |
| Market Cap | 59 796 | 58 467* | 120 000 | | Market Cap | 163 275 | 144 770* | 240 000 | |
| Equity | 26 640 | 24 552 | 40 000 | | Equity | 36 704 | 36 796 | 60 000 | |
| TPB: TP Bank 9.7% (22 000) | | | | | NLG: Nam Long 4.1% (25 600) | | | | |
| Revenue | 5 633 | 6 603 | 10 000 | 189 % | Revenue | 2 546 | 1 812 | 8 000 | 119 % |
| Earnings | 3 094 | 3 376 | 4 800 | | Earnings | 893 | 912 | 900 | |
| Market Cap | 17 399 | 17 965* | 52 000 | | Market Cap | 6 867 | 6 392* | 14 000 | |
| Equity | 13 075 | 16 450 | 25 000 | | Equity | 5 055 | 5 953 | 8 000 | |
| HDB: HD Bank 9.2% (28 000) | | | | | CEO: CEO Group 3.6% (10 300) | | | | |
| Revenue | 9 747 | 12 623 | 18 000 | 196 % | Revenue | 4 550 | 3 156 | 8 000 | 202 % |
| Earnings | 3 605 | 4 024 | 5 800 | | Earnings | 448 | 134 | 700 | |
| Market Cap | 27 027 | 27 046* | 80 000 | | Market Cap | 2 419 | 2 651* | 8 000 | |
| Equity | 19 073 | 23 100 | 30 000 | | Equity | 2 982 | 3 000 | 6 000 | |
| CTG: Vietinbank 8.9% (24 650) | | | | | SCS: Saigon Cargo 3.5% (128 000) | | | | |
| Revenue | 33 199 | 34 125 | 45 000 | 118 % | Revenue | 748 | 725 | 1 400 | 86 % |
| Earnings | 7 600 | 7 351 | 13 000 | | Earnings | 431 | 398 | 700 | |
| Market Cap | 77 819 | 91 782* | 200 000 | | Market Cap | 6 044 | 6 447* | 12 000 | |
| Equity | 76 793 | 84 100 | 100 000 | | Equity | 1 004 | 1 022 | 2 000 | |
| POW: PV Power 5.2% (11 250) | | | | | KDH: Khang Dien 2.9% (23 550) | | | | |
| Revenue | 35 374 | 33 959 | 42 000 | 82 % | Revenue | 2 813 | 4 153 | 7 000 | 46 % |
| Earnings | 2 406 | 2 301 | 3 500 | | Earnings | 870 | 1 096 | 1 200 | |
| Market Cap | 26 814 | 26 346* | 48 000 | | Market Cap | 14 645 | 12 354* | 18 000 | |
| Equity | 26 887 | 28 581 | 35 000 | | Equity | 7 625 | 8 349 | 10 000 | |
| MWG: Mobile World 5.1% (89 400) | | | | | PAN: PAN Group 2.8% (21 700) | | | | |
| Revenue | 102 174 | 110 187 | 180 000 | 147 % | Revenue | 7 813 | 7 600 | 16 000 | 54 % |
| Earnings | 3 834 | 3 424 | 5 500 | | Earnings | 257 | 210 | 600 | |
| Market Cap | 50 467 | 40 482* | 100 000 | | Market Cap | 4 845 | 4 537* | 7 000 | |
| Equity | 12 136 | 15 293 | 22 000 | | Equity | 3 788 | 5 374 | 6 000 | |

Top holdings per 10 June 2020. Company figures in bn. VND

20EE: Shows our target market cap, revenue, profits and equity within the next few years (3-5 y.)

* MCap on 10 June 2020

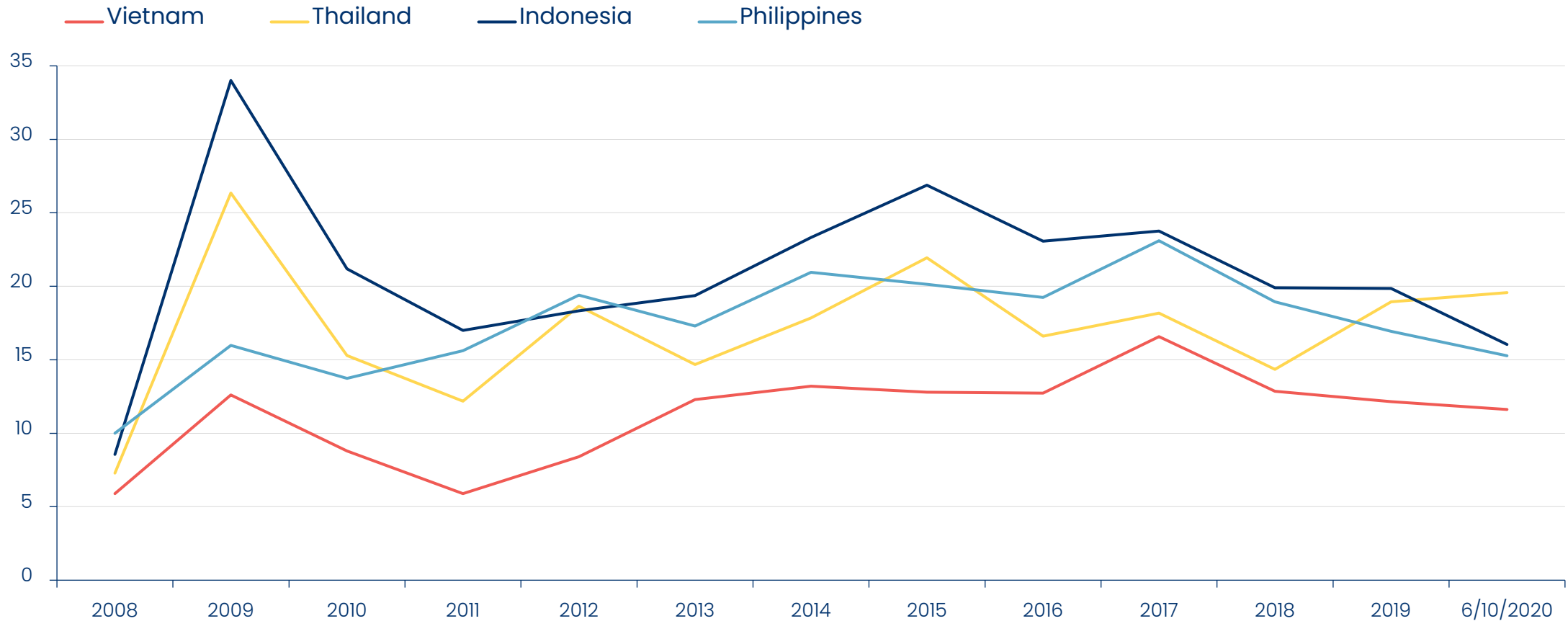
PYN Elite Performance on Log Scale



Source: PYN Fund Management

PYN Elite fund was established in Feb 1999 at 10 Euros per unit. Since inception, its unit value has increased 28-fold to above 287 Euros. Compounded annual returns are at 17.0%.



Vietnam Price to Earnings vs. Emerging Markets



Per 10.06.2020, Source: Bloomberg

Vietnam's VNX All-Shares Index trades at a weighted P/E ratio of 11.6. The index include 404 companies from the Ho Chi Minh and the Hanoi stock exchanges. Vietnamese small and medium cap stocks trade at around P/E 9.9.

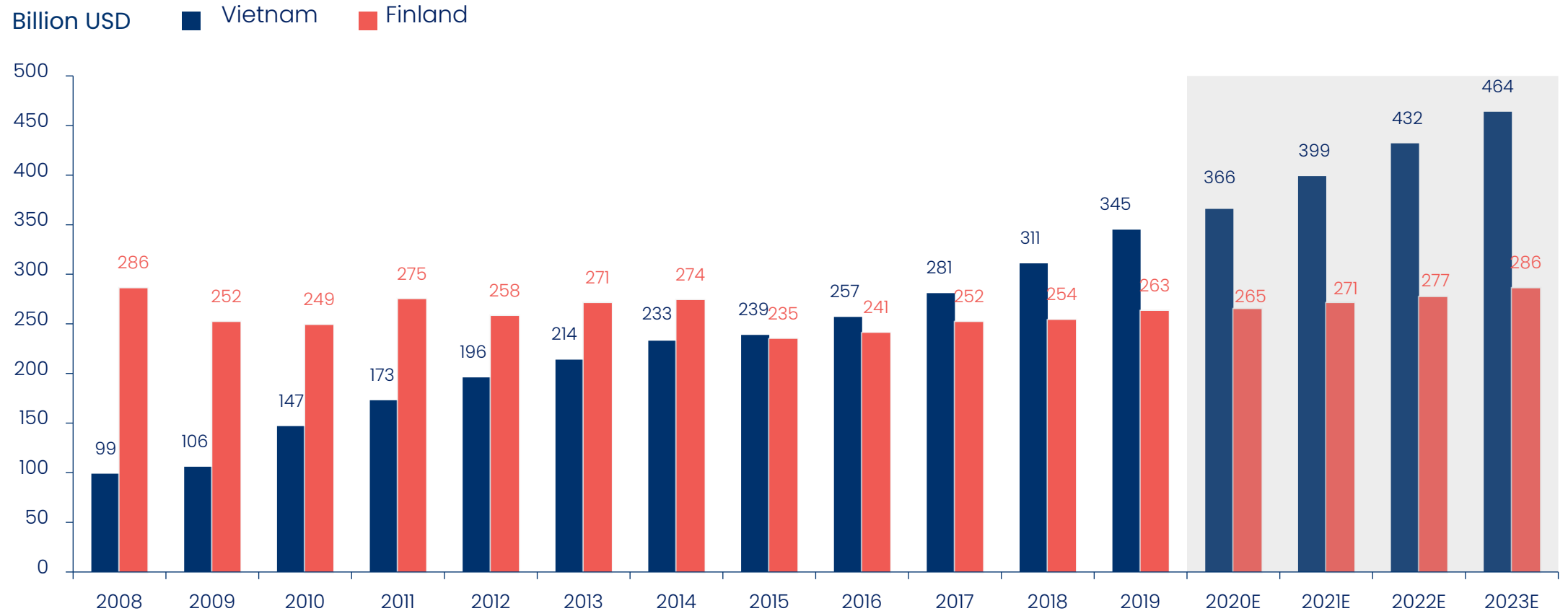
CAGR Vietnam vs. Thailand 2013–2019

| Industry |  | CAGR % 2013–2019 | |  |
|-----------------|---|------------------|----------------|---|
| Banks | HDB , TPB, CTG | +44 % | Revenue growth | +7 % |
| | | +37 % | Profit growth | +2 % |
| Housing | NLG, KDH | +49 % | Revenue growth | -1 % |
| | | +150 % | Profit growth | -1 % |
| Construction | CII, FCN | +17 % | Revenue growth | +9 % |
| | | +13 % | Profit growth | +14 % |
| Hotel Developer | CEO | +73 % | Revenue growth | +14 % |
| | | +67 % | Profit growth | +3 % |
| Brokers | VND | +34 % | Revenue growth | -11 % |
| | | +21 % | Profit growth | -25 % |
| Food Industry | PAN | +53 % | Revenue growth | +5 % |
| | | +152 % | Profit growth | +17 % |
| Retail | MWG | +49 % | Revenue growth | +10 % |
| | | +57 % | Profit growth | +12 % |

Source: Bloomberg, PYN Fund Management

Our recent study compares PYN Elite's key Vietnamese holdings to comparable peer companies in Thailand. Surprisingly, Thailand's domestic businesses have achieved rather dismal growth in this time period. By contrast, Vietnam's growth numbers are extremely strong. Remark: Vietnam's bank and property crises in years 2009-2012 set a very low base for the CAGR growth comparison.

Vietnam GDP vs Finland GDP 2008–2023

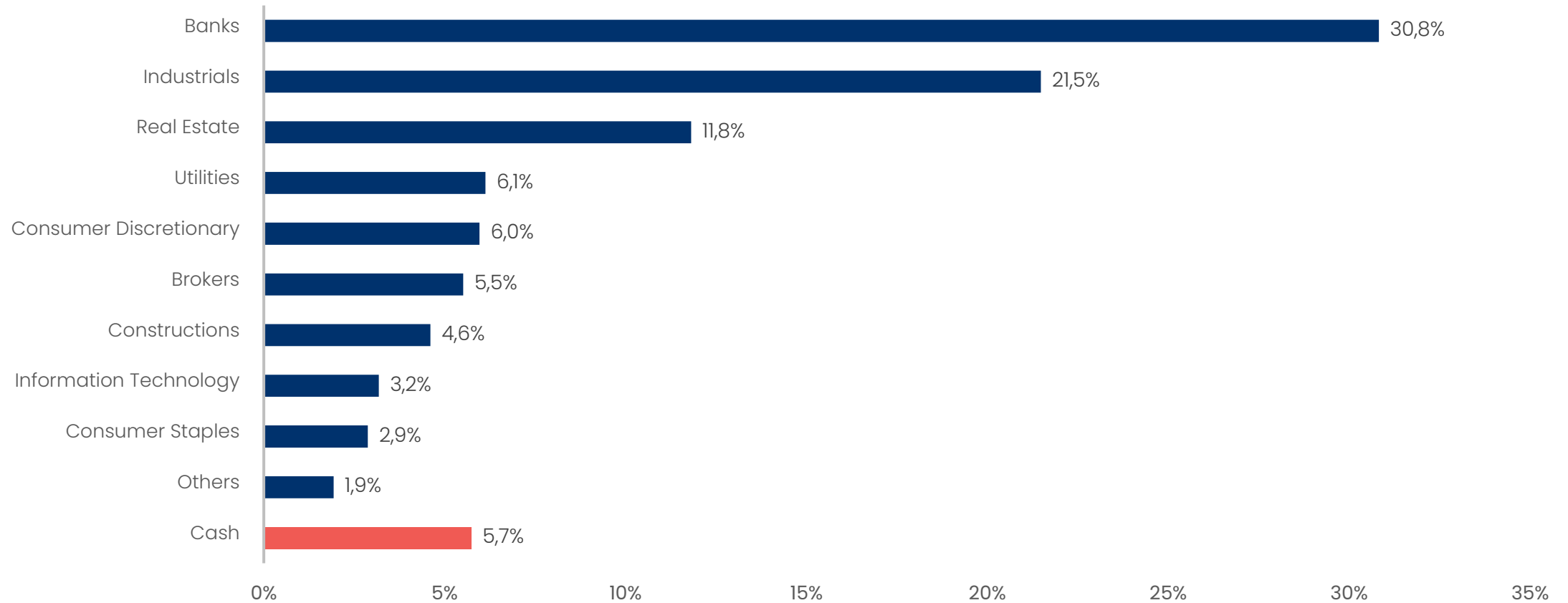


Source: World Bank, GS VNO, PYN Fund Management

Vietnam's GDP is poised for strong growth. Due to Covid-19, we expect Vietnam GDP growth to reach 3% in 2020, though Vietnam maintains average GDP growth target of 7% per year for 2021 – 25.

Vietnam's GDP period 2011 – 17 was revised by the General Statistics Office of Vietnam by an average of 25.4% higher on Dec 13, 2019.

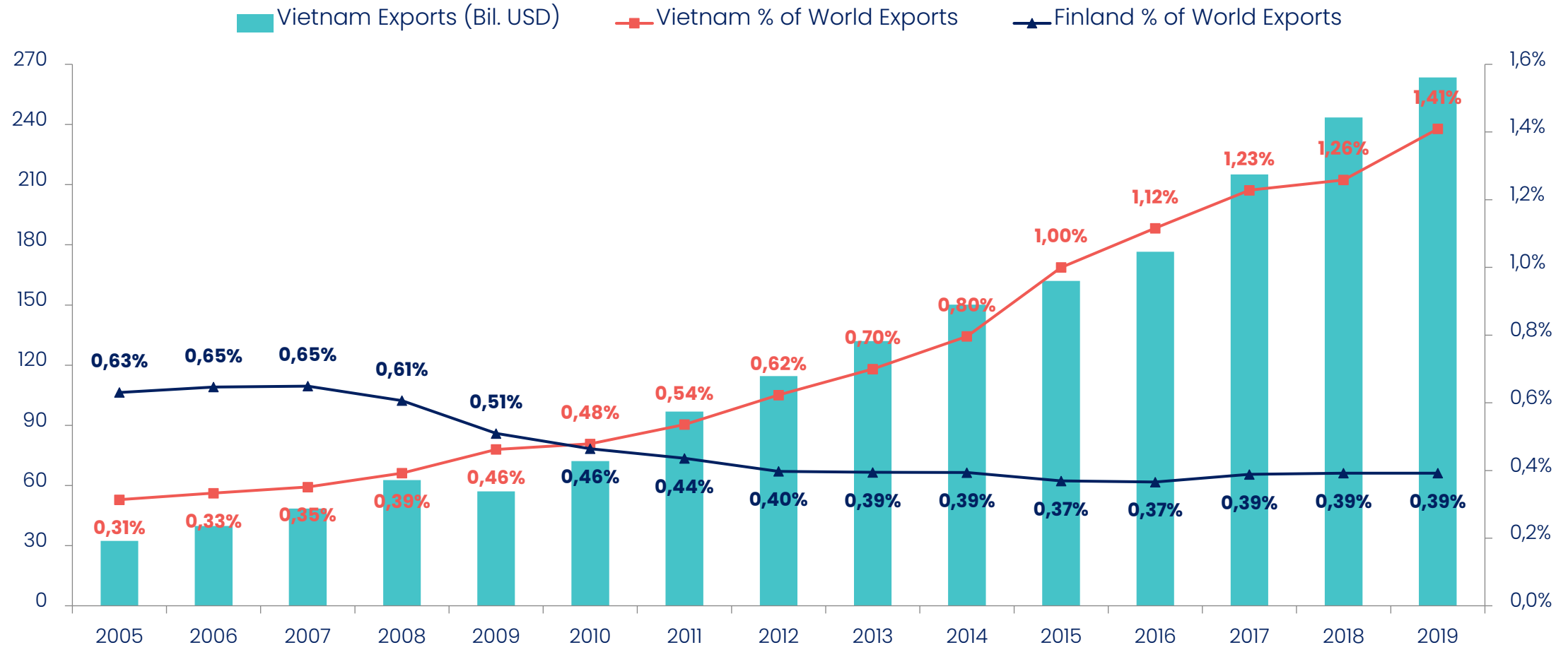
PYN Elite portfolio by sector



Per 10.06.2020, Source: PYN Fund Management

Banks are the largest portion in PYN Elite. Banks are poised for brisk business expansion and profit growth for coming years in Vietnam. Cash position includes our buffering for foreign exchange hedging contracts.

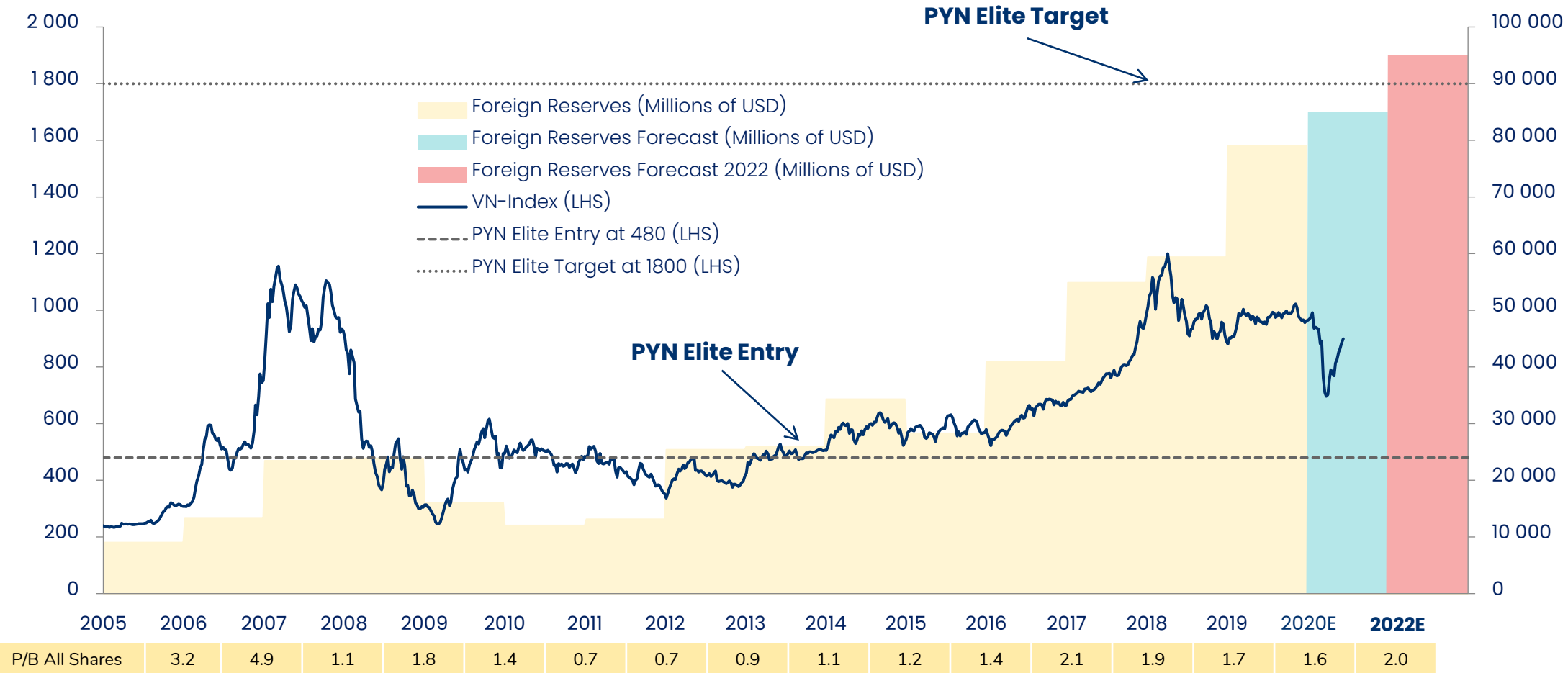
Exports from Vietnam and Finland relative to World Exports



Source: IMF DOTS

Vietnam's government has built an attractive platform for foreign direct investments. The manufacturing sector has achieved high competitiveness in world export markets and it continues to capture market share from other countries.

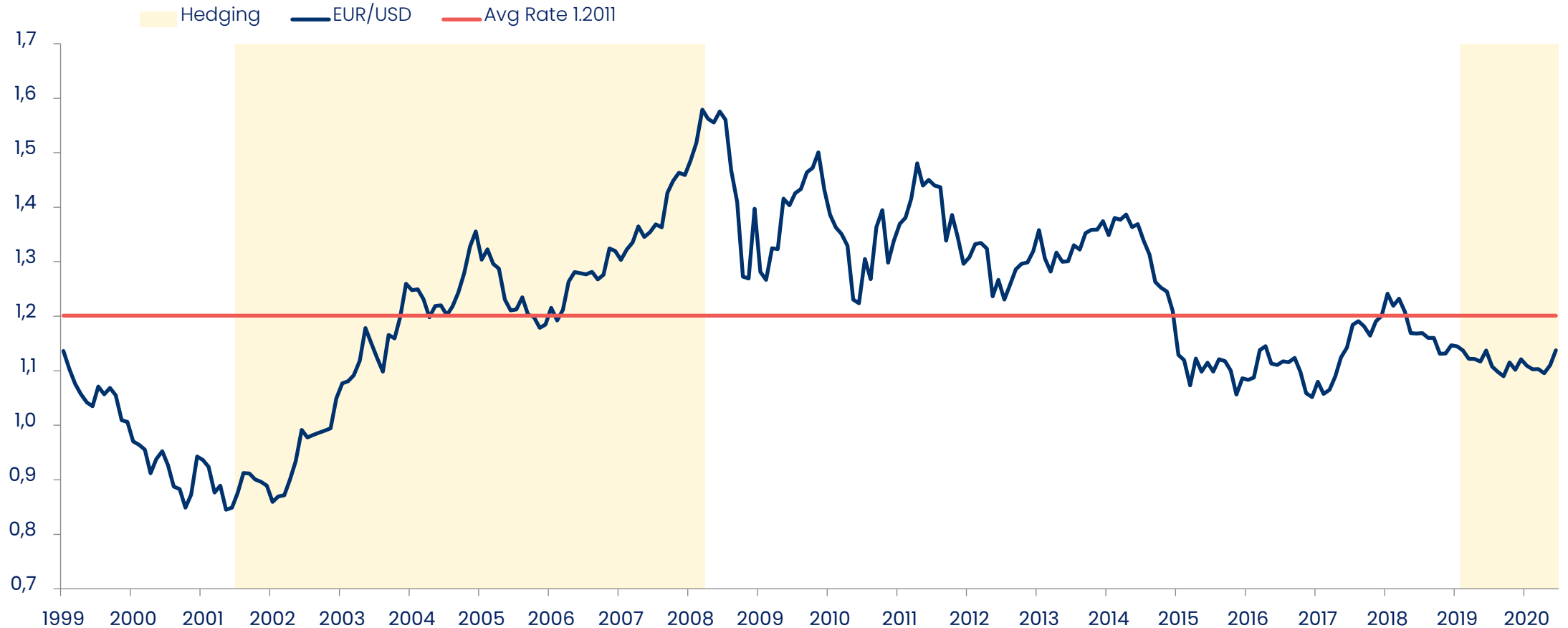
Vietnam Stock Market and FX Reserves



VNIndex per 10.06.2020 Source: ADB, Bloomberg, PYN Fund Management

Forex reserves are accumulating and satisfactory forex reserves will correlate to Vietnam's country risk. Lower risk level will support higher equity valuation ratios in Vietnam.

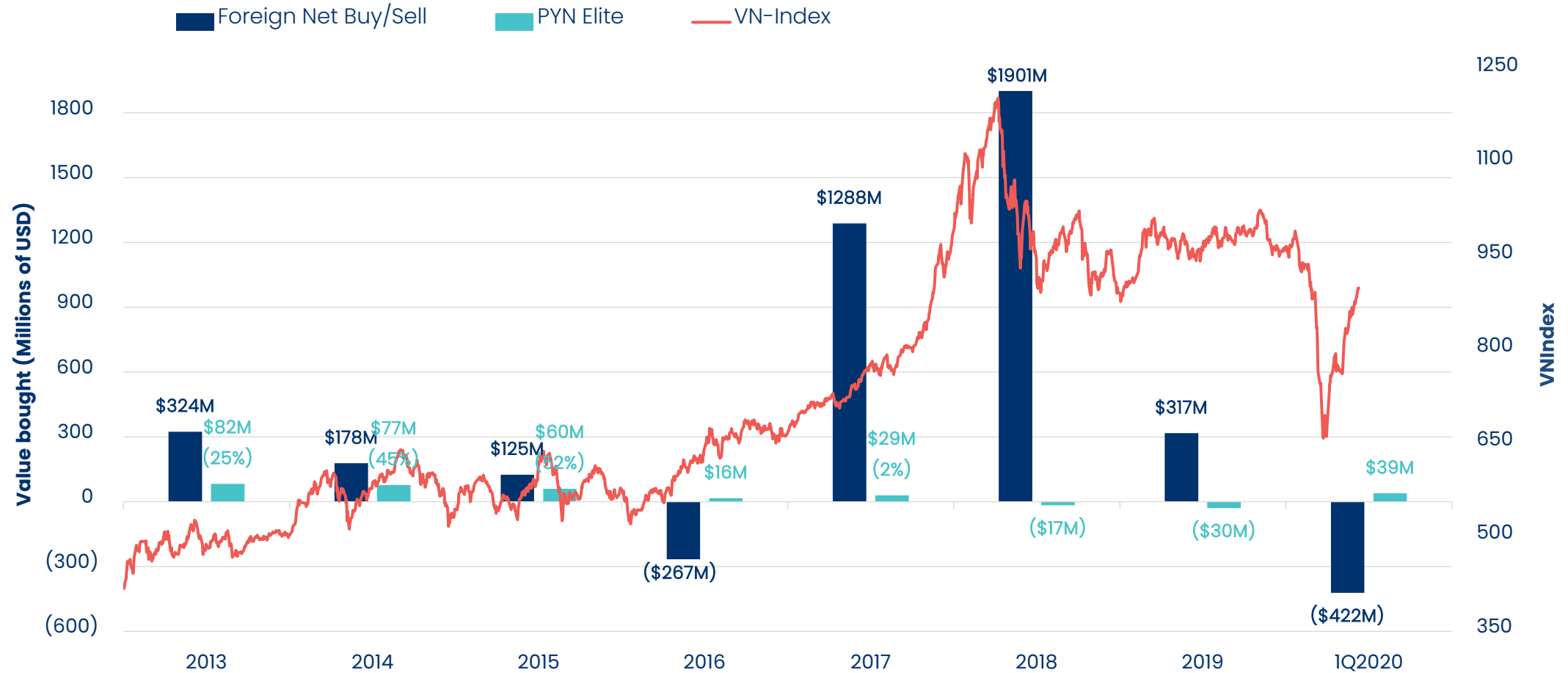
EUR/USD Rate and PYN Elite Hedging



Per 10.06.2020 Source: Bloomberg, PYN Fund Management

PYN Elite returns are impacted by the strength or weakness of the Euro. Currency hedging has been used as a tool to protect our portfolio from potential Euro strengthening. During the 2001-2008 period, we were fully-hedged for our portfolio. 2008 – 2/2019 we kept the currencies open. PYN Elite portfolio has been fully-hedged again as from 26.2.2019.

PYN Elite proportion of foreign net buy/sell in Vietnam



VNIndex per 10.06.2020, Source: FiinPro Vietnam, PYN Fund Management

PYN Elite fund has played a significant role in foreign net purchases in Vietnam from 2013-2015. Since then PYN Elite fund's net buying has moderated and other foreign funds has been more actively net buying Vietnamese equities. During the spring of 2020, the situation was again the other way around.

PYN Elite Historical Performance

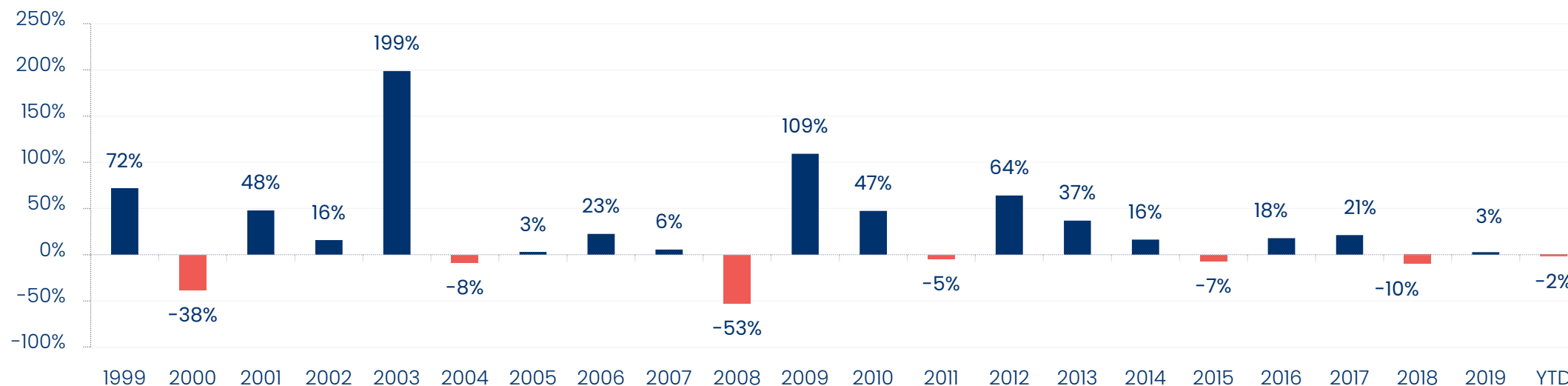


Cumulative
Return Since
Inception
+2 773%

Average
Annualized
Return Since
Inception
+17.0%

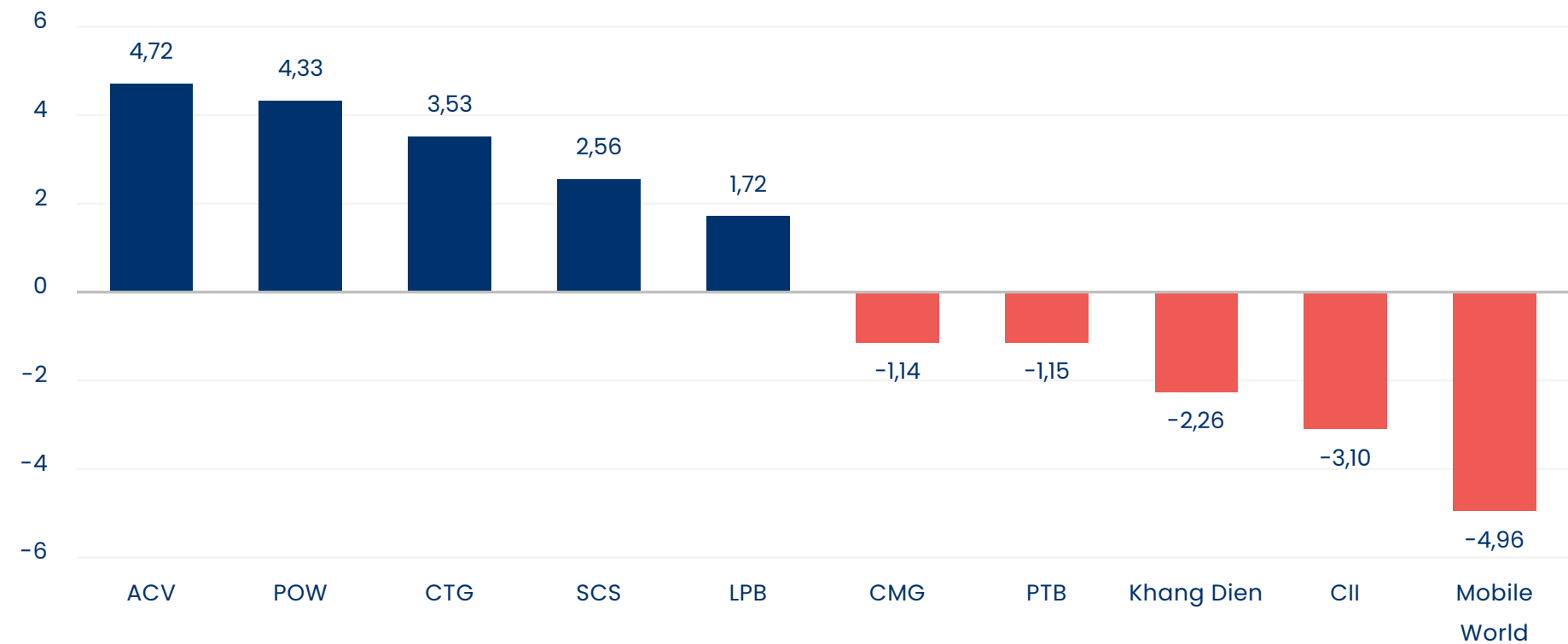
| | Period | 1999 - 2004 | 2005 - 2009 | 2010 - 2014 | 2014 - 2019 | 2020 YTD | Since Inception |
|--------------------------|-----------------------------|-------------|-------------|-------------|-------------|----------|-----------------|
| PYN Elite Fund (EUR) | Period Aggregated Return % | 398 % | 31 % | 267 % | 23 % | -2 % | 2 773 % |
| | Avg. annual return % (CAGR) | 31 % | 5 % | 30 % | 4 % | -4 % | 17.0 % |
| MSCI Asia Ex Japan (EUR) | Period Aggregated Return % | 21 % | 57 % | 38 % | 32 % | -6 % | 224 % |
| | Avg. annual return % (CAGR) | 3 % | 9 % | 7 % | 6 % | -13 % | 5.7 % |

YTD 10.06.2020 Source: Bloomberg, PYN Fund Management



Top 5 Profit & Loss Year-to-Date

Million EUR



Per 10.06.2020, Source: PYN Fund Management

Net Debt/Equity – Top 50 listed companies

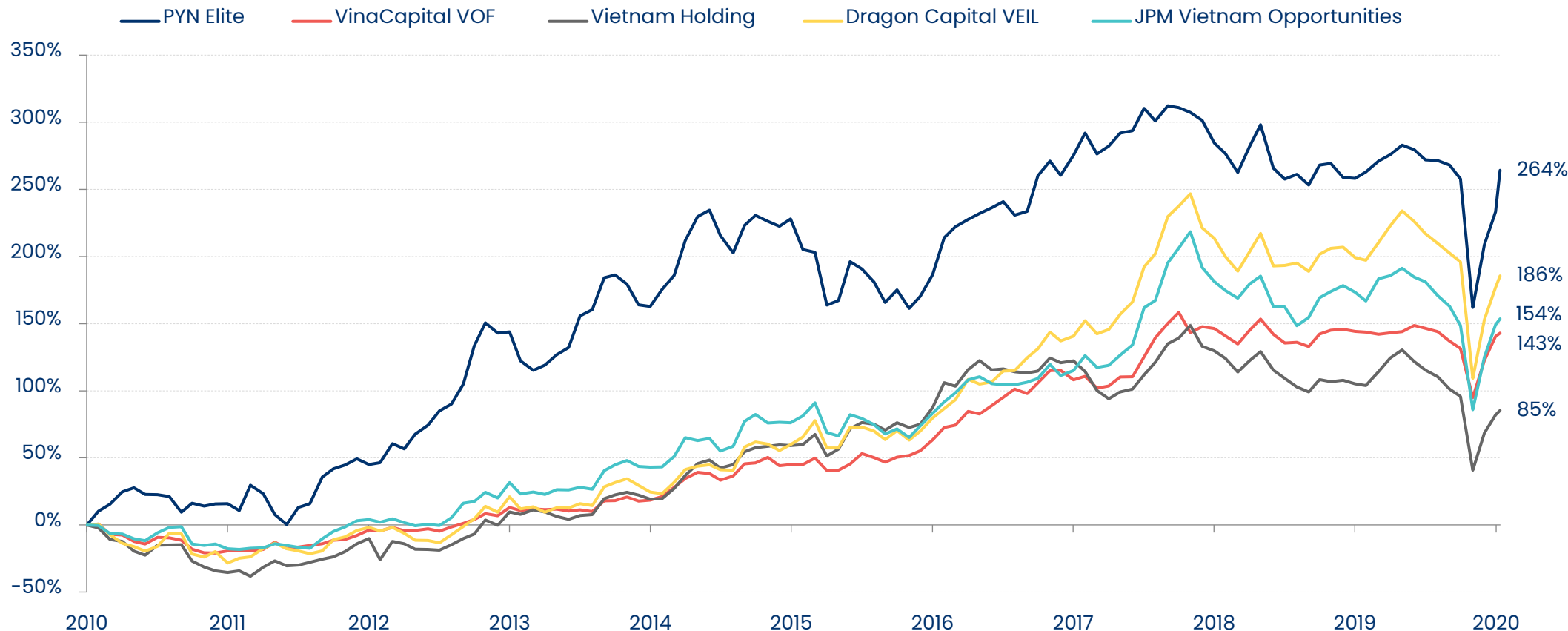
| Region | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Q1 2020 |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Finland | 41.8 | 29.1 | 22.7 | 21.0 | 27.1 | 38.9 | 44.6 |
| Vietnam | 48.4 | 49.9 | 63.3 | 41.6 | 34.8 | 33.1 | 25.5 |
| EU | 55.7 | 53.1 | 63.4 | 54.4 | 63.6 | 59.6 | 67.5 |
| US | 38.7 | 52.4 | 59.7 | 51.0 | 110.6 | 70.4 | 83.2 |
| Average all | 46.2 | 46.1 | 52.3 | 42.0 | 52.1 | 50.5 | 55.2 |

(*) Figures are excluding Banks

Source: Bloomberg, FiinPro, PYN Fund Management

Vietnamese companies are well prepared for fast growth even if financial markets turn to face more challenges in coming years.

PYN Elite vs Vietnam Funds (in EUR)



Source: Bloomberg

PYN Elite fund has been able to combine macroeconomic analyses together with equity market valuations in timing when to enter a new market. This factor has favored PYN Elite fund switching from the Thai market to the Vietnam market in 2013, relative to Vietnam-only country funds.

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PYN Elite

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