



**PYN ELITE**

PYN Elite – Presentation

November 2019

# PYN Elite – Facts

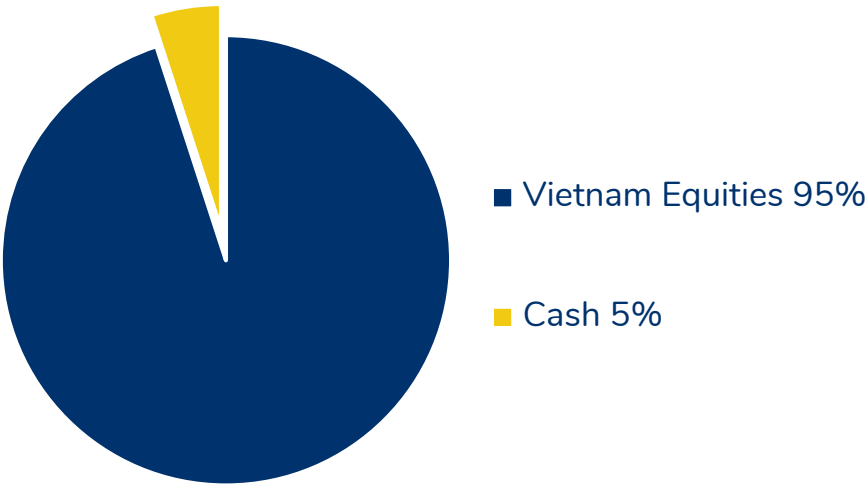
## PYN Elite Fund (non-UCITS)

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 (15.10.2019)	406 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 15.11.2019

# PYN Elite Investment Strategy

## Fund

### **PYN Elite is**

- Long term
- Actively managed
- Long-only
- Global, but 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 at the start of a positive business cycle
- Undervalued, small-to-mid market cap companies that are in their rapid growth phase

## 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

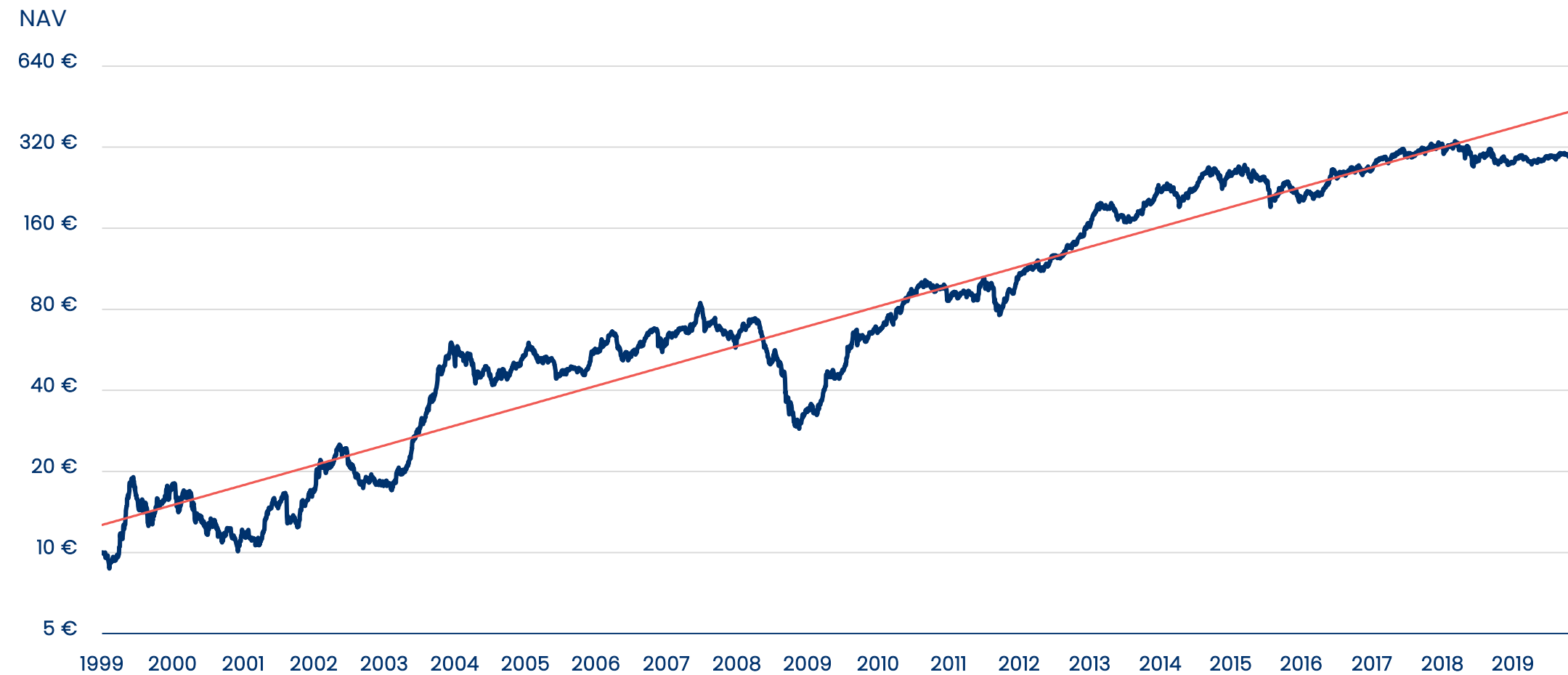
Company	2018	2019E	20EE	PYN Elite upside (E)	Company	2018	2019E	20EE	PYN Elite upside (E)
MWG: Mobile World 16.5% (118 500)					CEO: CEO Group 3.4% (9 300)				
Revenue	86 516	106 646	180 000	91 %	Revenue	2 246	3 200	8 000	234 %
Earnings	2 879	3 807	5 500		Earnings	223	375	700	
Market Cap	37 445	52 459*	100 000		Market Cap	1 976	2 393*	8 000	
Equity	8 977	11 388	22 000		Equity	1 891	3 148	6 000	
TPB: TP Bank 10.6% (22 250)					PAN: PAN Group 3.2% (28 900)				
Revenue	4 378	5 418	10 000	145 %	Revenue	7 829	12 016	16 000	103 %
Earnings	1 805	2 571	3 800		Earnings	327	389	600	
Market Cap	16 969	18 391*	45 000		Market Cap	5 916	4 914*	10 000	
Equity	10 622	11 747	20 000		Equity	3 690	4 200	6 000	
HDB: HD Bank 9.5% (28 350)					NLG: Nam Long 3.1 % (28 300)				
Revenue	7 646	9 731	18 000	188 %	Revenue	3 480	3 560	8 000	98 %
Earnings	2 842	3 400	5 800		Earnings	713	857	900	
Market Cap	29 724	27 811*	80 000		Market Cap	6 170	7 067*	14 000	
Equity	15 635	19 035	30 000		Equity	4 600	6 560	8 000	
VEA: VEAM 9.0% (50 000)					VND: VNDirect 2.8% (14 200)				
Revenue	7 070	5 000	11 000	68 %	Revenue	1 538	1 721	3 000	305 %
Earnings	7 010	6 877	10 500		Earnings	373	449	800	
Market Cap	51 823	66 440*	120 000		Market Cap	3 420	2 962*	12 000	
Equity	24 641	31 392	40 000		Equity	2 983	3 500	5 000	
CII: HCMC Infrastructure 6.4% (23 700)					CTG: Vietinbank 2.1% (21 700)				
Revenue	2 686	2 846	5 000	104 %	Revenue	22 518	32 500	45 000	148 %
Earnings	95	691	1 000		Earnings	4 000	6 750	15 000	
Market Cap	6 436	5 874*	12 000		Market Cap	71 862	80 798*	200 000	
Equity	4 988	5 485	7 000		Equity	67 159	73 900	100 000	
KDH: Khang Dien 4.6% (26 200)					FCN: Fecon 2.0% (11 100)				
Revenue	2 917	3 475	7 000	26 %	Revenue	2 846	3 860	7 000	201 %
Earnings	808	924	1 200		Earnings	215	270	480	
Market Cap	13 663	14 264*	18 000		Market Cap	1 406	1 327*	4 000	
Equity	6 867	7 895	10 000		Equity	1 804	1 870	3 000	

Top holdings per 15 November 2019. Company figures in bn. VND

20EE: Shows our target market cap, revenue, profits and equity within the next three years

\* MCap on 15 November 2019

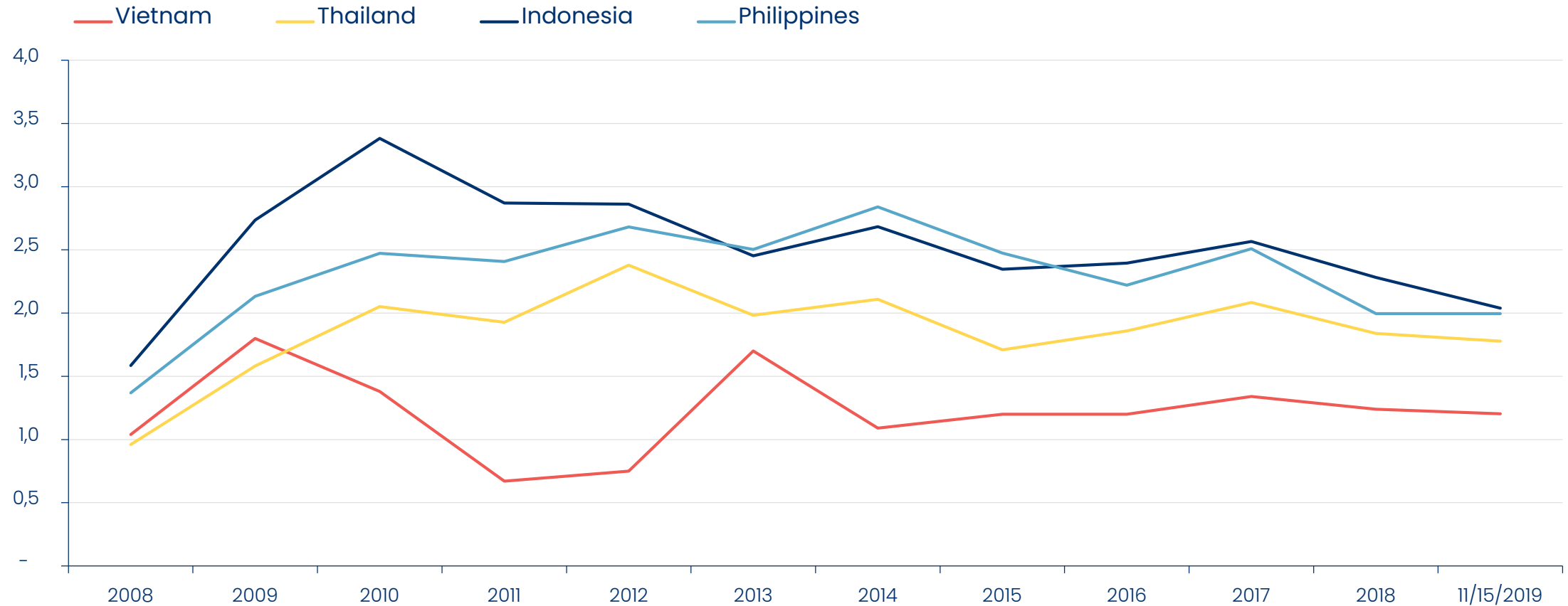
# PYN Elite Performance on Log Scale



Source: PYN Fund Management

PYN Elite fund was established in Feb 1999 at 10 Euros per unit. Since inception, its unit value has increased 29-fold to above 295 Euros. Compounded annual returns are at 17.7%.

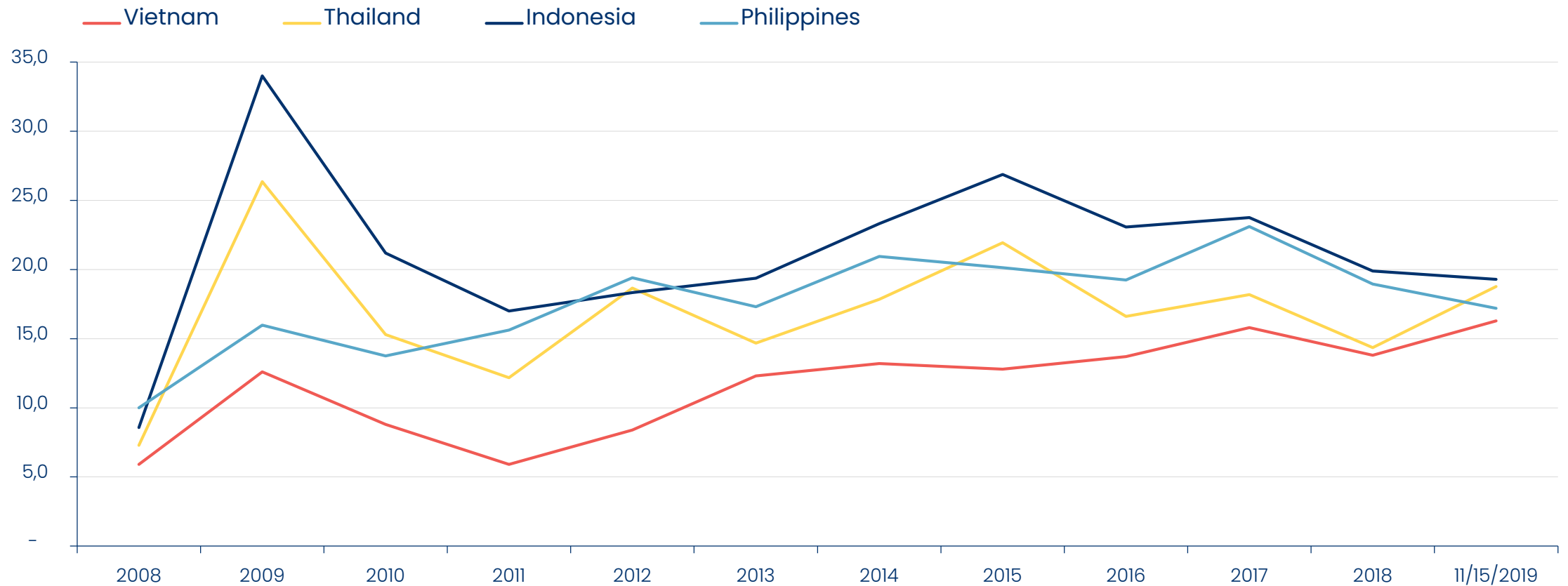
# Vietnam Price to Book vs. Emerging Markets



Per 15.11.2019, Source: Bloomberg

The Vietnam All-Shares trade at a relatively low average price-to-book (PB) ratio of 1.2. The All-Shares include 743 companies from the Ho Chi Minh and the Hanoi stock exchanges.



# Vietnam Price to Earnings vs. Emerging Markets



Per 15.11.2019, Source: Bloomberg

The Vietnam All-Shares trade at P/E ratio of 16.3. The All-Shares include 743 companies from the Ho Chi Minh and the Hanoi stock exchanges. Vietnamese small and medium cap stocks trade at around P/E 9.5.

# CAGR Vietnam vs. Thailand 2013–2018

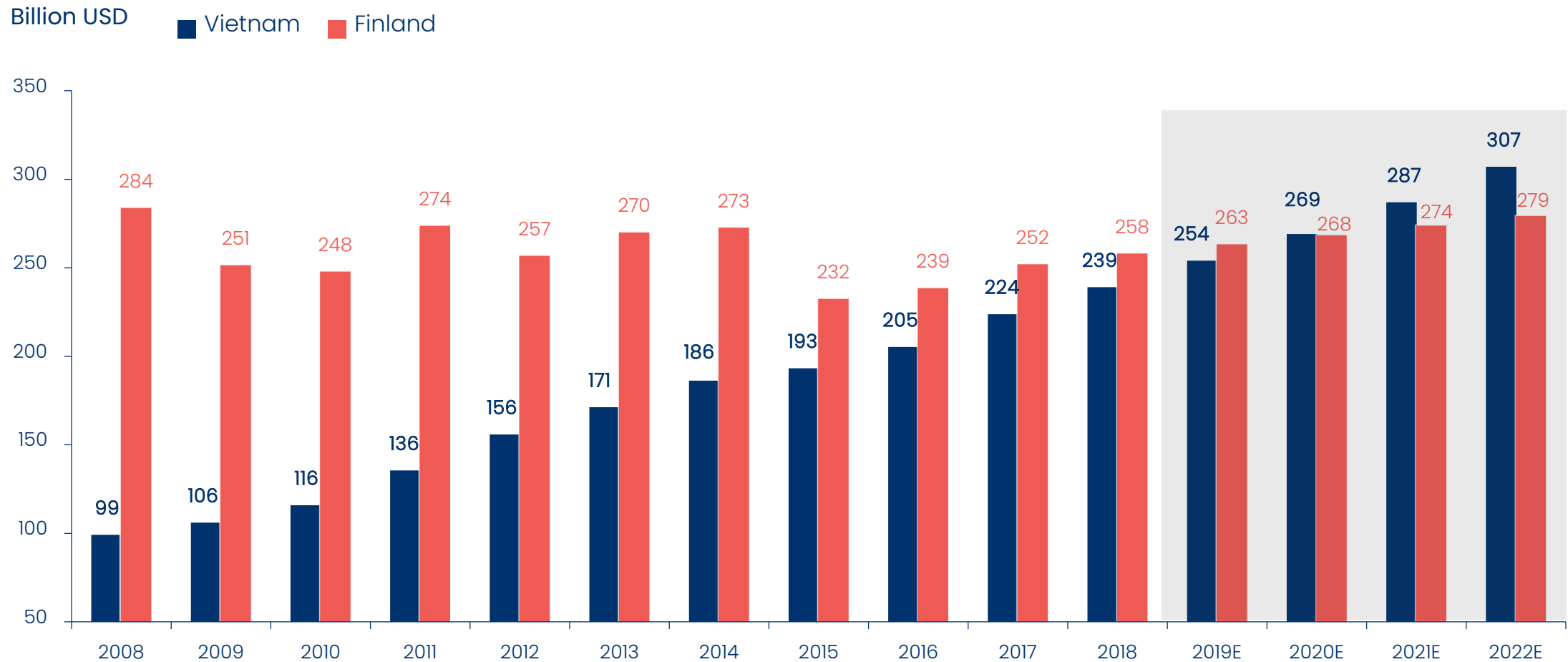
Industry		CAGR % 2013–2018				
Banks	HDB , TPB, STB	+35 %	Revenue growth	+5 %	KBank, KKP	
		+37 %	Profit growth	+6 %		
Housing	NLG, KDH	+122 %	Revenue growth	+3 %	LPN, AP	
		+141 %	Profit growth	+2 %		
Construction	CII, HBC FCN, HUT	+22 %	Revenue growth	+11 %	CKP, STEC, SEAFCO, BEM	
		+15 %	Revenue growth	+4 %		
Hotel Developer	CEO	+56 %	Revenue growth	+6 %	ERW, LRH	
		+97 %	Profit growth	+36 %		
Brokers	VND	+36 %	Revenue growth	-2 %	MBKE	
		+30 %	Profit growth	-10 %		
Food Industry	PAN	+74 %	Revenue growth	+7 %	CPF	
		+26 %	Profit growth	-3 %		
Retail	MWG	+51 %	Revenue growth	+14 %	CPALL, HPRO	
		+69 %	Profit growth	+12 %		

Source: 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.



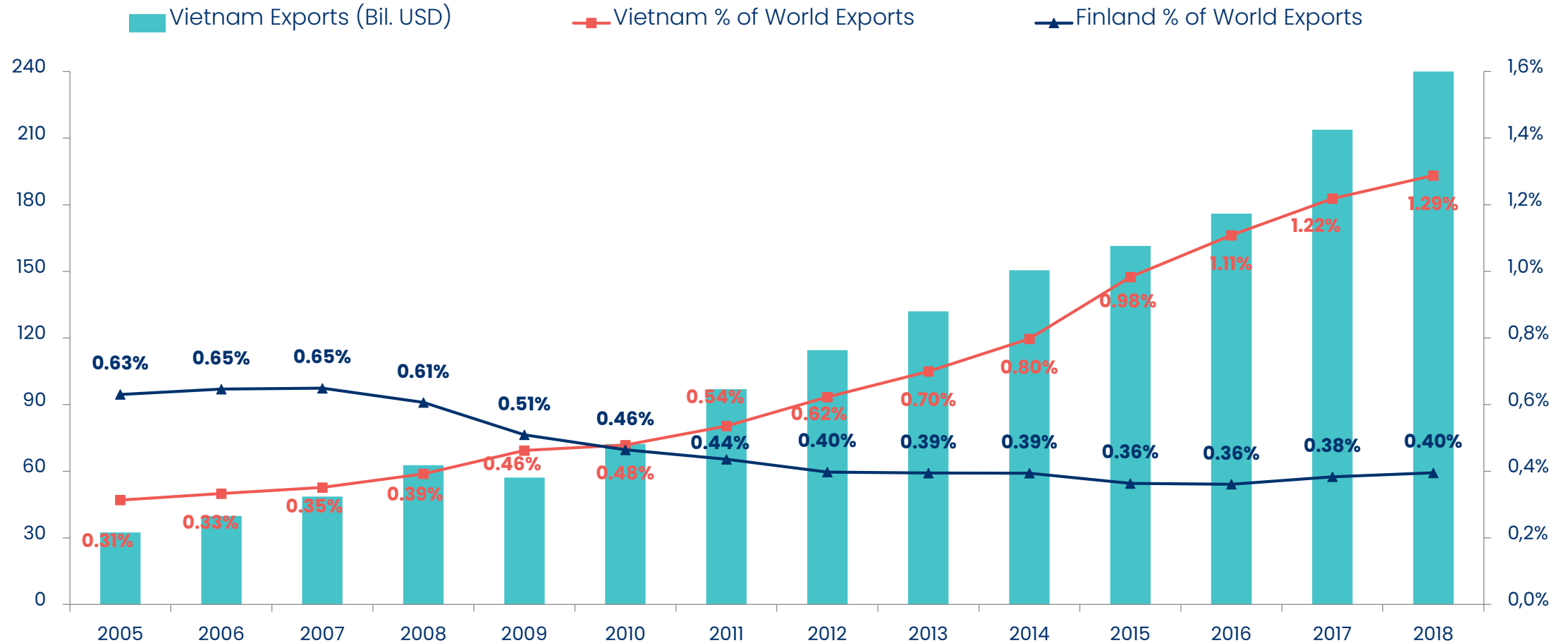
# Vietnam GDP vs Finland GDP 2008–2022



Source: PYN Fund Management

Vietnam's GDP is poised for strong growth. A 7% - 8% average GDP growth for Vietnam is to be expected for the next 5-10 years. Vietnam is likely to surpass Finland's national output by the year 2020.

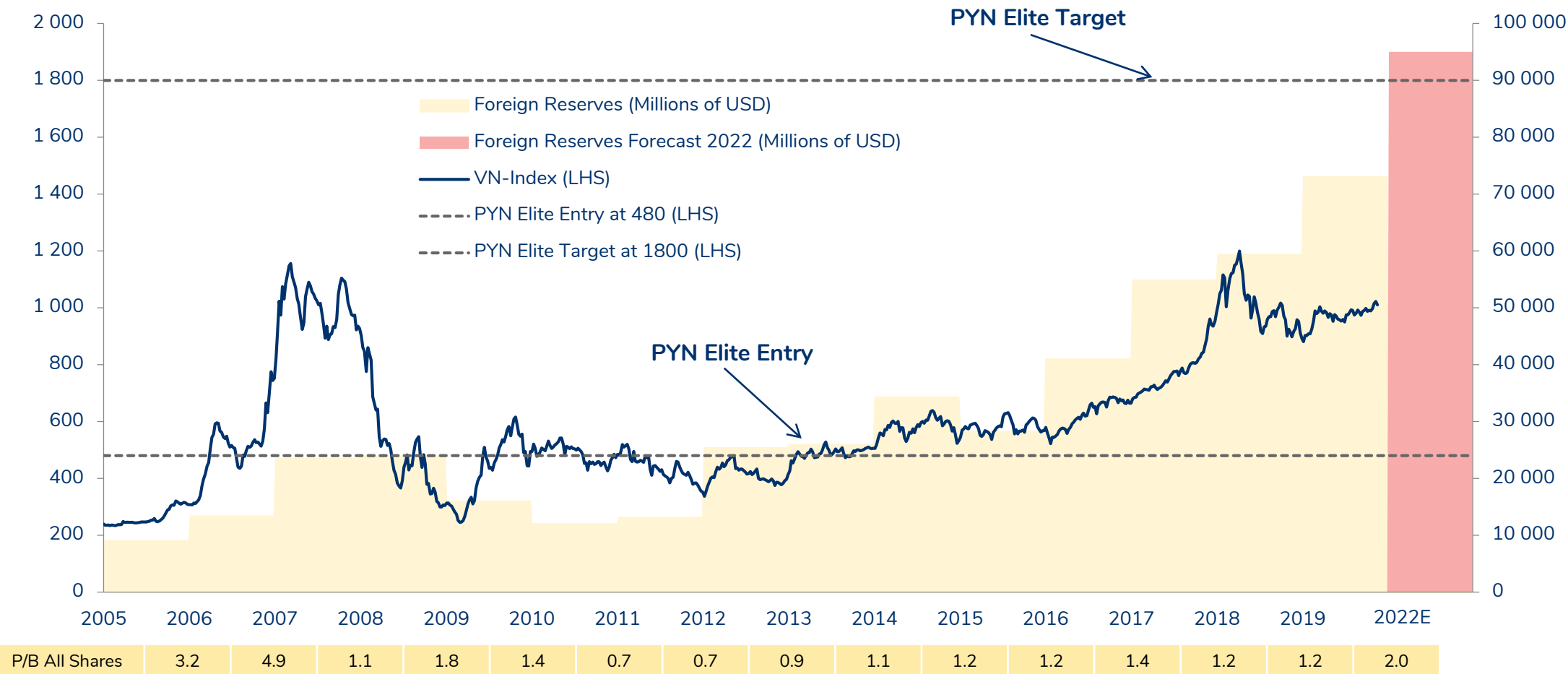
# Exports from Vietnam and Finland relative to World Exports



Source: [www.trademap.org](http://www.trademap.org)

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.

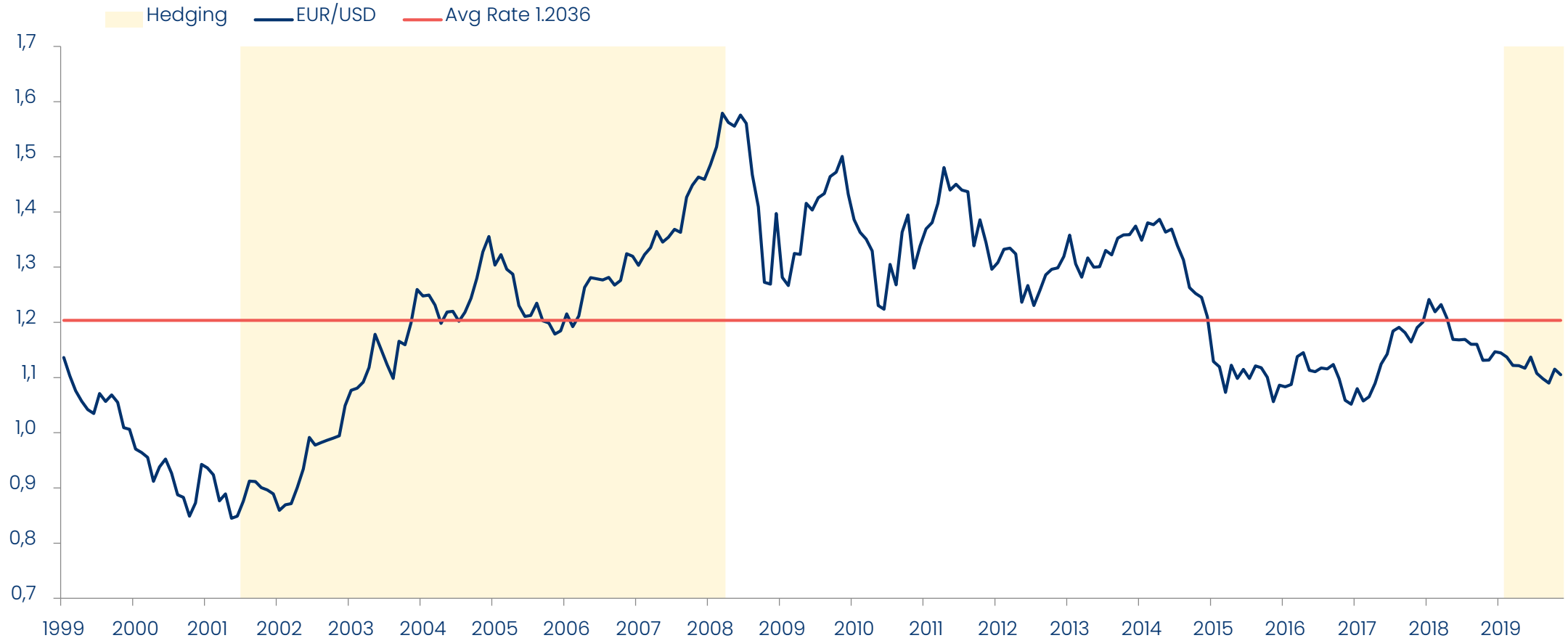
# Vietnam Stock Market and FX Reserves



Source: PYN Fund Management, ADB, Bloomberg

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



Source: Bloomberg

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

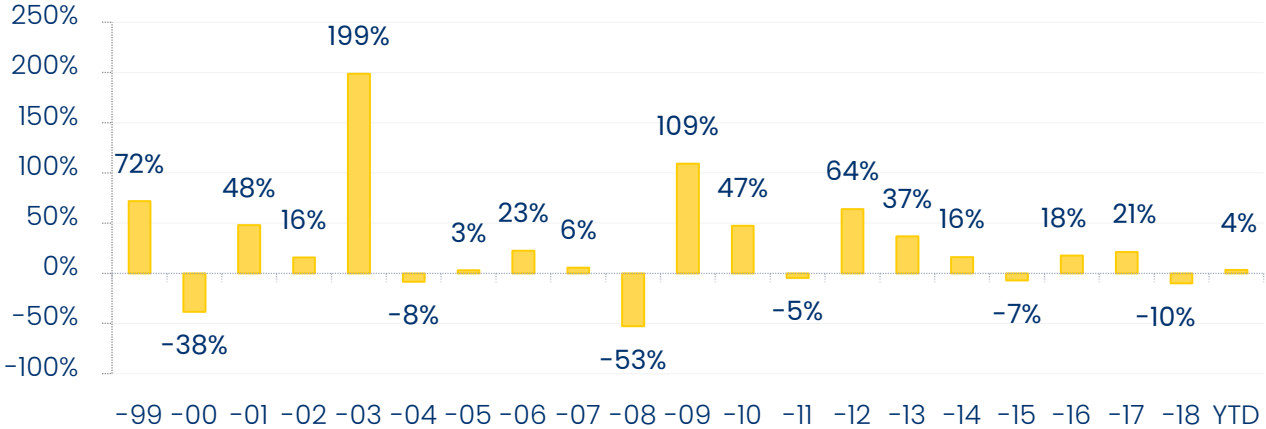


VNIndex per 15.11.2019, Source: FiinPro Vietnam

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.

# PYN Elite Cumulative Performance

	Feb-99	1999	2012	2013	2014	2015	2016	2017	2018	2019 YTD
PYN Elite NAV EUR	10	17.19	150.05	205.45	238.81	221.65	261.04	316.40	285.01	295.04
%		72	64	37	16	-7	18	21	-10	4
MSCI Asia ex Jap (EUR)			415	400	466	460	488	593	521	587
%				-4	16	-1	6	22	-12	13
SET Index* + currency %		43	37							
PYN Elite better / worse % *SET excl. Dividends		30	27	41	0	-6	12	-1	-2	-9

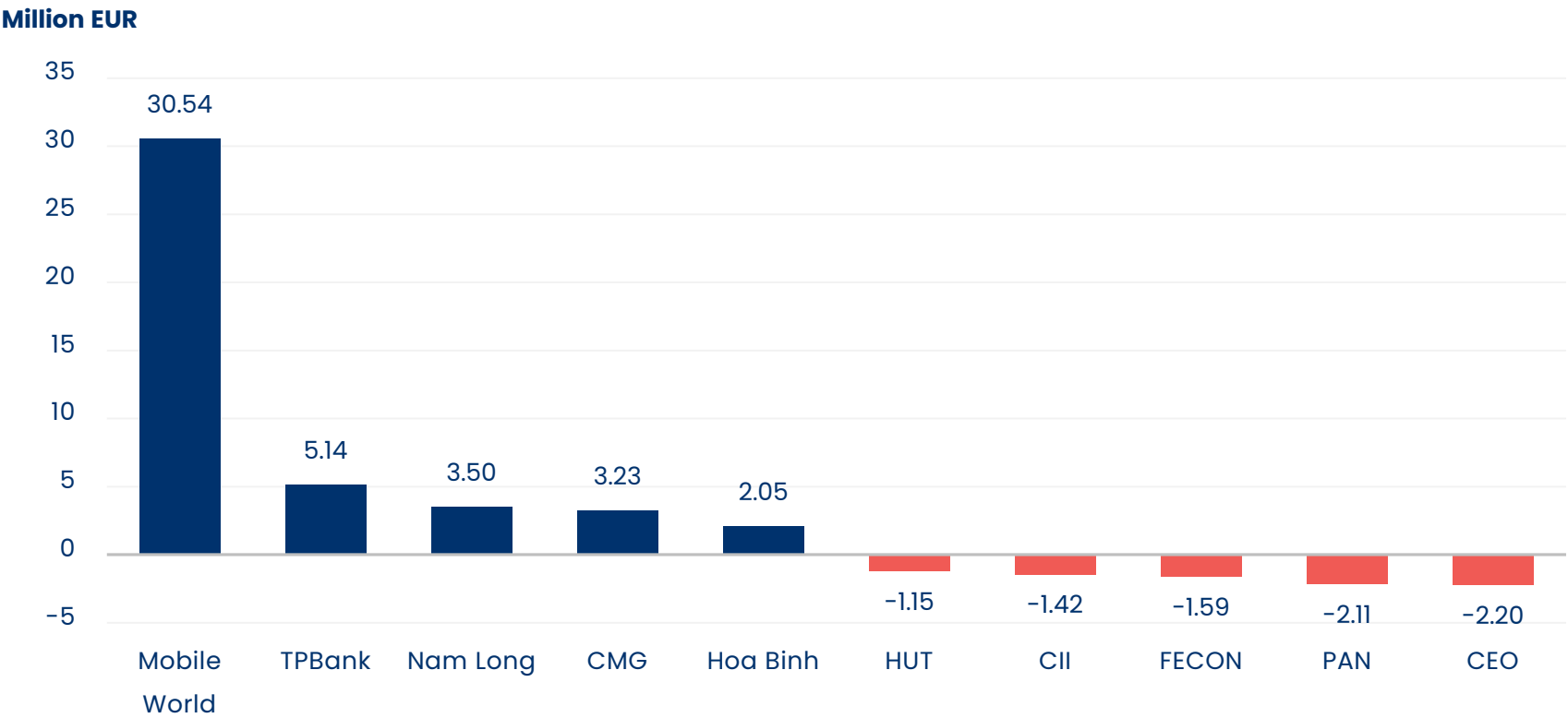


**Cumulative Return**  
**+2 850 %**

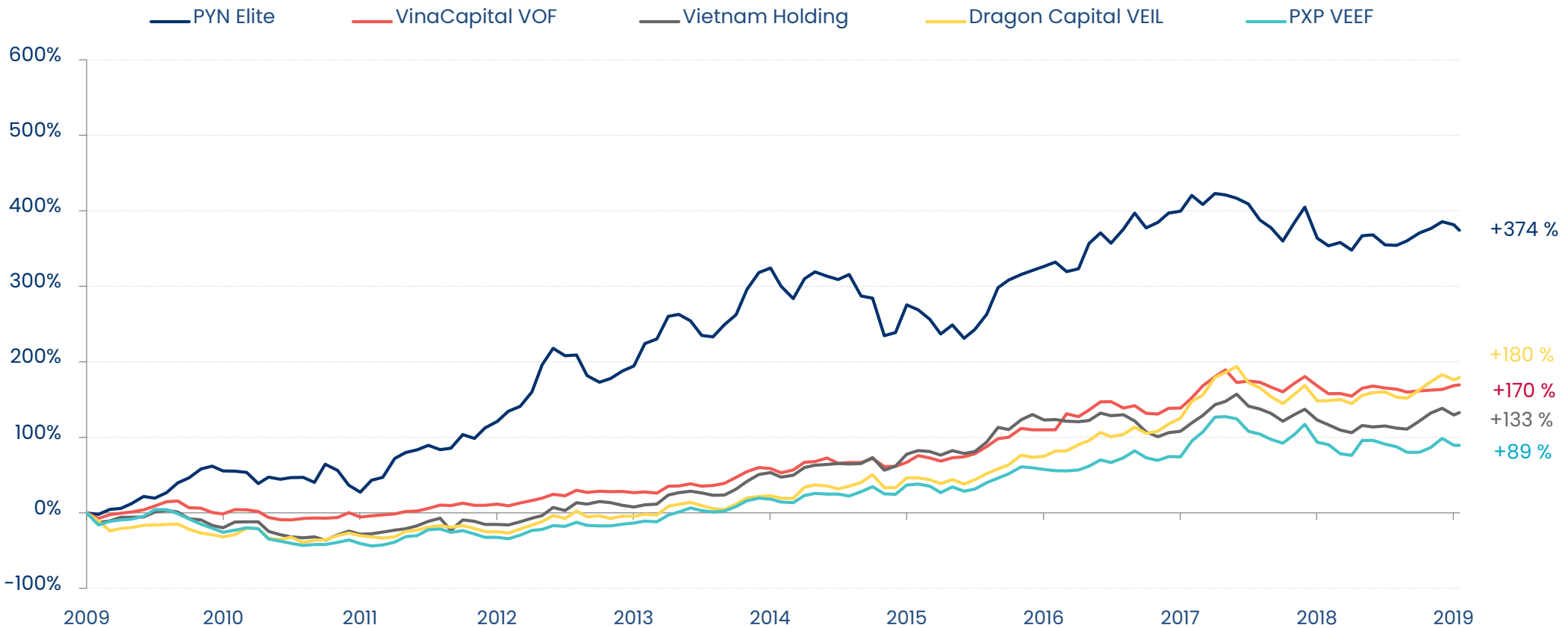
**Annualized Return**  
**+17.7 %**

YTD 15.11.2019  
Source: Bloomberg

# Top 5 Profit & Loss Year-to-Date



# 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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# Disclaimer

PYN Elite Fund (non-UCITS) (hereinafter “the Fund”) is an alternative investment fund according to the Finnish Alternative Investment Fund Managers Act (162/2014, as amended) and a special mutual fund according to the Finnish Mutual Funds Act (48/1999, as amended), meaning it may derogate from the provisions of the Finnish Mutual Funds Act regarding investment of the assets, risk diversification, issue and redemption of the fund units and publication of information (a non-UCITS). The Fund is managed by PYN Fund Management Ltd, located at Mannerheiminaukio 1 E, 00100 Helsinki, Finland. PYN Fund Management Ltd is authorized and supervised by the Finnish authority for supervision of financial and insurance sectors, Financial Supervisory Authority (FIN-FSA).

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Investors should be aware that this Fund invests in a concentrated portfolio of companies of a small to medium market capitalization located in the Asian region. Share prices of such companies may be much more volatile and trading liquidity much lower than for 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 assets invested in the Fund partly or totally. Please also note that this Fund is not covered by the Finnish Investors' Compensation Fund or Deposit Guarantee Fund.

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