



PYN ELITE

PYN Elite – Presentation

August 2019

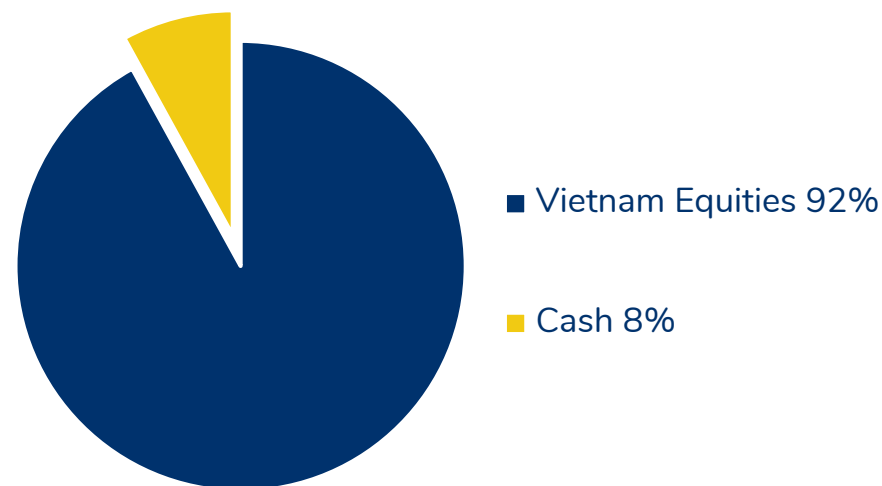
PYN Elite Facts

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 (15.08.2019)	408 m EUR

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

Fund allocation



As of 15.08.2019

* 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.

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 18.8% (120 000)					CEO: CEO Group 3.6% (10 200)				
Revenue	86 516	108 520	180 000		Revenue	2 246	3 200	8 000	
Earnings	2 879	3 658	5 500		Earnings	223	315	700	
Market Cap	37 445	53 122*	100 000	88 %	Market Cap	1 976	2 625*	8 000	205 %
Equity	8 977	10 142	22 000		Equity	1 891	3 148	6 000	
TPB: TP Bank 10.5% (22 400)					NLG: Nam Long 3.6 % (31 200)				
Revenue	4 378	5 418	10 000		Revenue	3 480	3 485	8 000	
Earnings	1 805	2 571	3 800		Earnings	713	855	900	
Market Cap	16 969	18 515*	45 000	143 %	Market Cap	6 170	7 149*	14 000	96 %
Equity	10 622	11 747	20 000		Equity	4 600	5 900	8 000	
HDB: HD Bank 8.4% (26 350)					PAN: PAN Group 3.2% (29 500)				
Revenue	7 646	9 731	18 000		Revenue	7 829	12 016	16 000	
Earnings	2 842	3 400	5 800		Earnings	327	389	600	
Market Cap	29 724	25 849*	80 000	209 %	Market Cap	5 916	5 016*	10 000	99 %
Equity	15 635	19 035	30 000		Equity	3 690	4 100	6 000	
VEA: VEAM 6.9% (52 700)					VND: VNDirect 2.9% (14 650)				
Revenue	7 070	6 720	11 000		Revenue	1 538	1 721	3 000	
Earnings	7 010	7 552	10 500		Earnings	373	449	800	
Market Cap	51 823	70 028*	120 000	71 %	Market Cap	3 420	3 055*	12 000	293 %
Equity	24 641	28 062	40 000		Equity	2 983	3 500	5 000	
CLI: HCMC Infrastructure 5.3% (21 000)					FCN: Fecon 2.3% (13 100)				
Revenue	2 686	3 200	5 000		Revenue	2 846	3 860	7 000	
Earnings	95	740	1 000		Earnings	215	270	480	
Market Cap	6 436	5 205*	12 000	131 %	Market Cap	1 406	1 566*	4 000	155 %
Equity	4 988	5 115	7 000		Equity	1 804	1 870	3 000	
KDH: Khang Dien 4.3% (23 500)					CMG: CMC Corporation 1.7% (40 150)				
Revenue	2 917	3 475	7 000		Revenue	5 186	6 609	12 000	
Earnings	808	924	1 200		Earnings	159	234	420	
Market Cap	13 663	12 794*	18 000	41 %	Market Cap	2 162	3 854**	8 000	108 %
Equity	6 867	7 941	10 000		Equity	1 058	1 900	3 000	

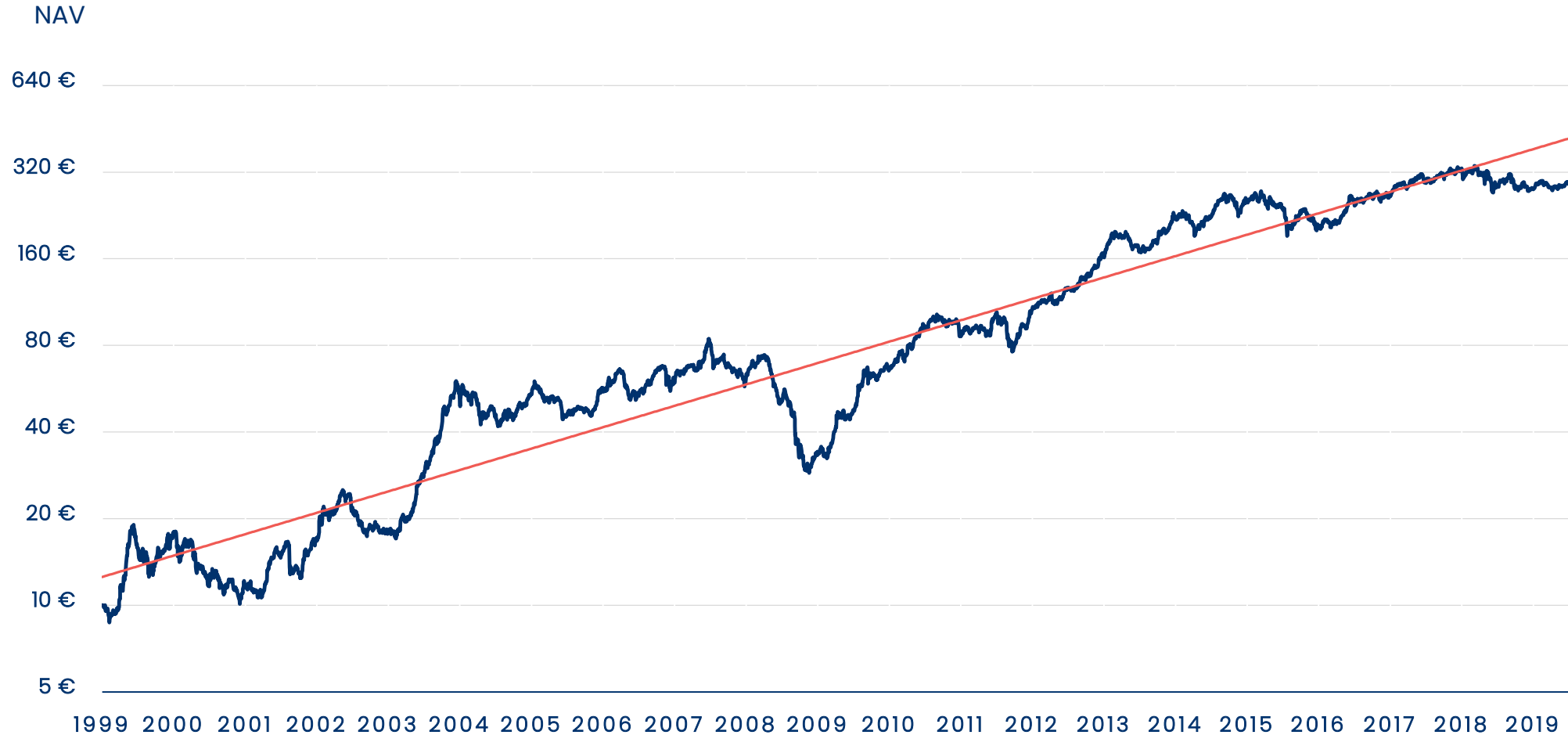
Top holdings per 15 August 2019. Company figures in bn. VND

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

* MCap on 15 August 2019

**Mcap on 15 August 2019 adjusted for shares issuance

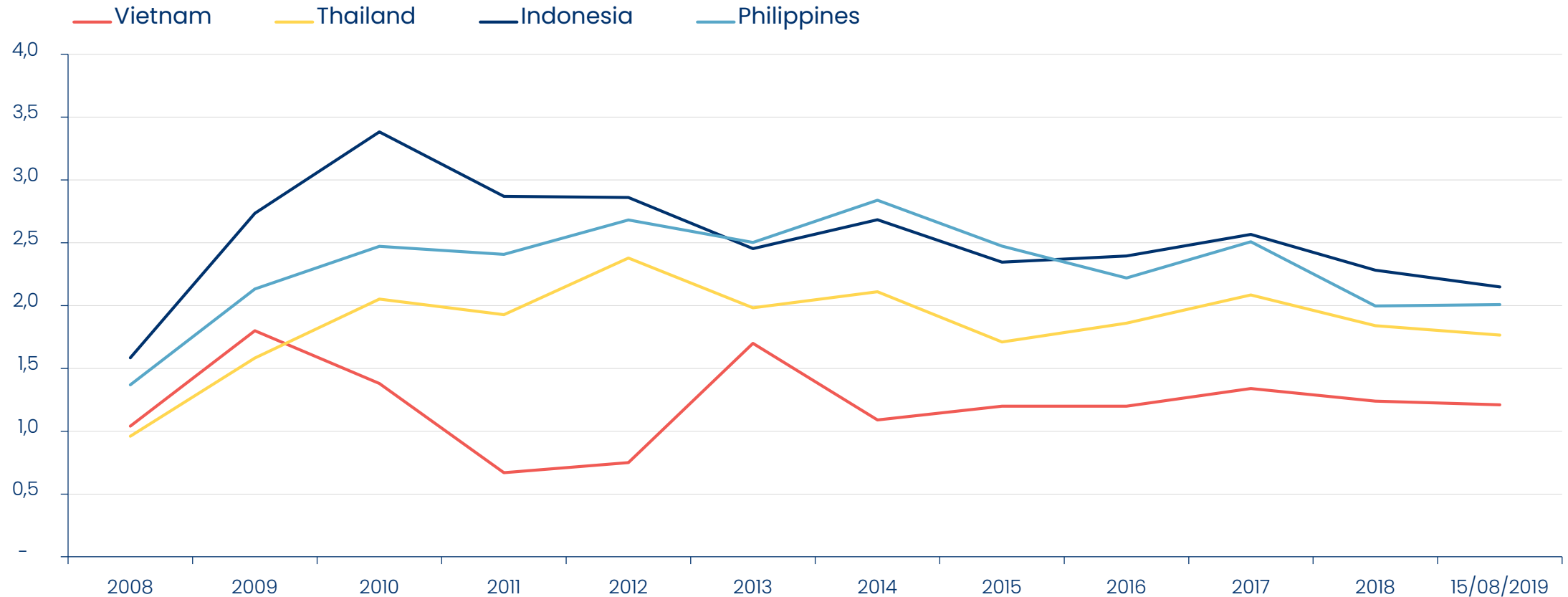
PYN Elite Performance on Log Scale



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 296 Euros. Compounded annual returns are at 18%.

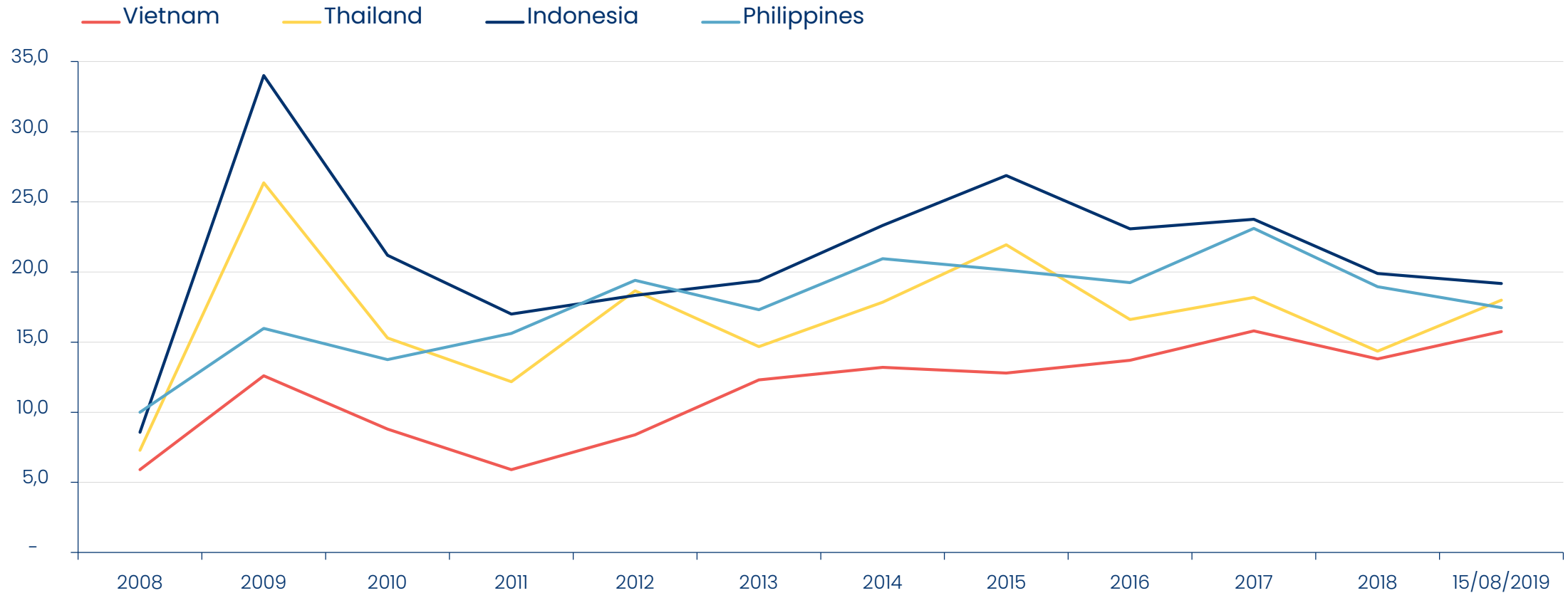
Vietnam Price to Book vs. Emerging Markets



Per 15.08.2019, Source: Bloomberg

The Vietnam All-Shares trade at a relatively low average price-to-book (PB) ratio of 1.2. The All-Shares include 745 companies from the Ho Chi Minh and the Hanoi stock exchanges.



Vietnam Price to Earnings vs. Emerging Markets



Per 15.08.2019, Source: Bloomberg

The Vietnam All-Shares trade at P/E ratio of 15.8. The All-Shares include 745 companies from the Ho Chi Minh and the Hanoi stock exchanges. Vietnamese small and medium cap stocks trade at around P/E 9.4.

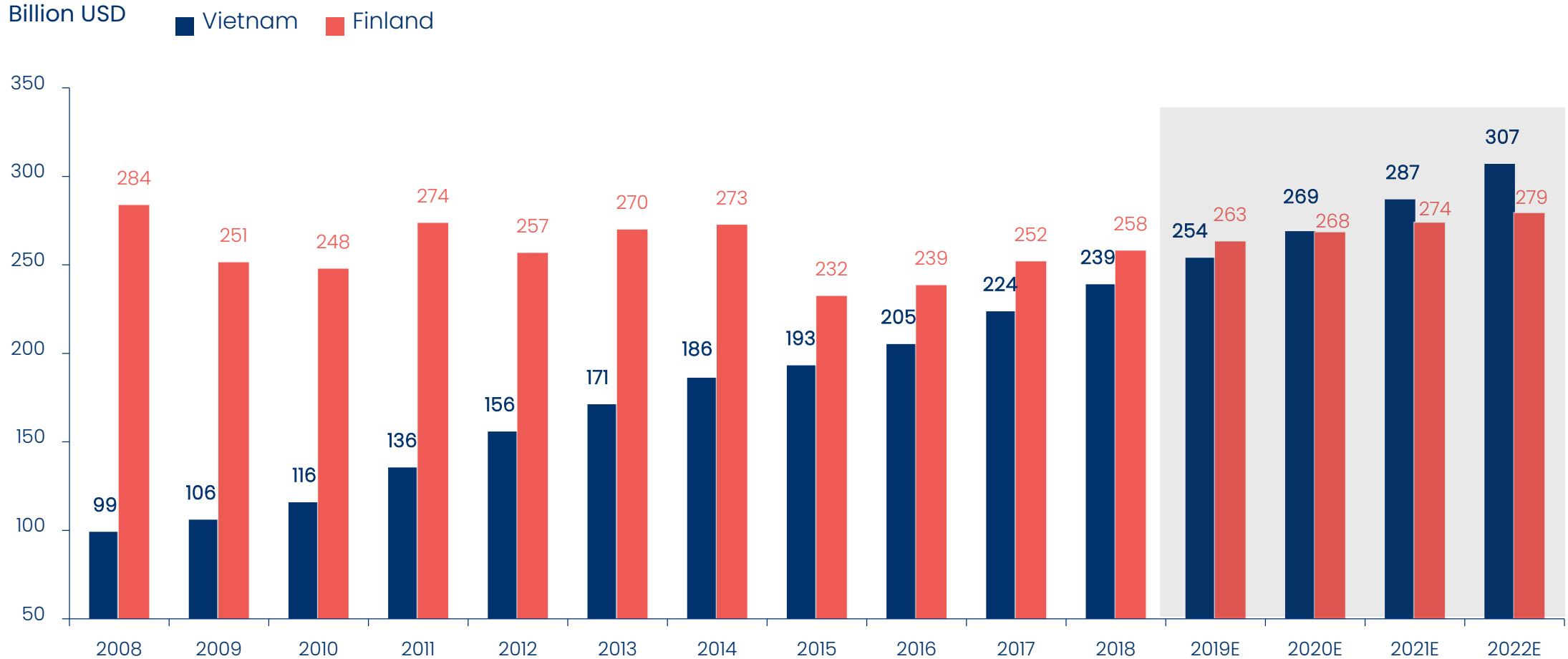
CAGR Vietnam vs. Thailand 2013–2018

Industry		CAGR % 2013–2018		
Banks	HDB , TPB, STB	+35 %	Revenue growth	+5 %
		+37 %	Profit growth	+6 %
Housing	NLG, KDH	+122 %	Revenue growth	+3 %
		+141 %	Profit growth	+2 %
Construction	CII, HBC FCN, HUT	+22 %	Revenue growth	+11 %
		+15 %	Revenue growth	+4 %
Hotel Developer	CEO	+56 %	Revenue growth	+6 %
		+97 %	Profit growth	+36 %
Brokers	VND	+36 %	Revenue growth	-2 %
		+30 %	Profit growth	-10 %
Food Industry	PAN	+74 %	Revenue growth	+7 %
		+26 %	Profit growth	-3 %
Retail	MWG	+51 %	Revenue growth	+14 %
		+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.

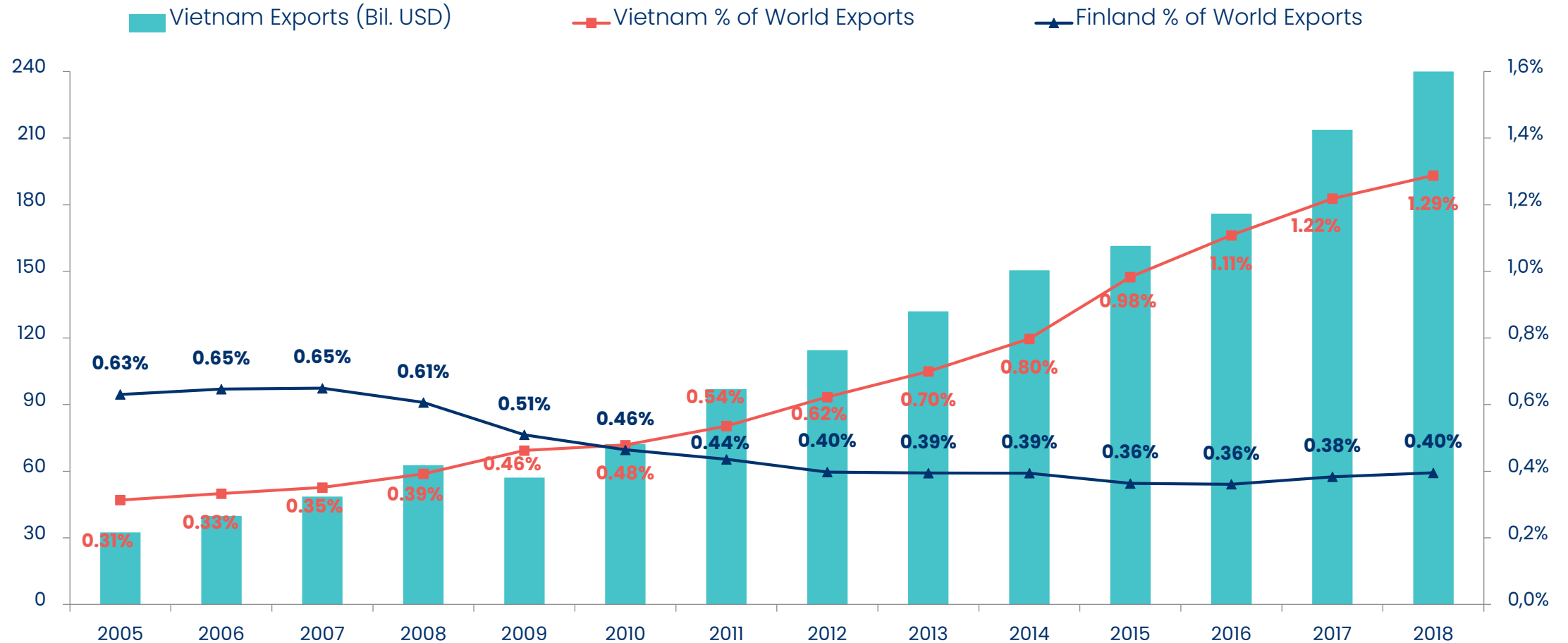
Vietnam GDP vs Finland GDP 2008–2022



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.

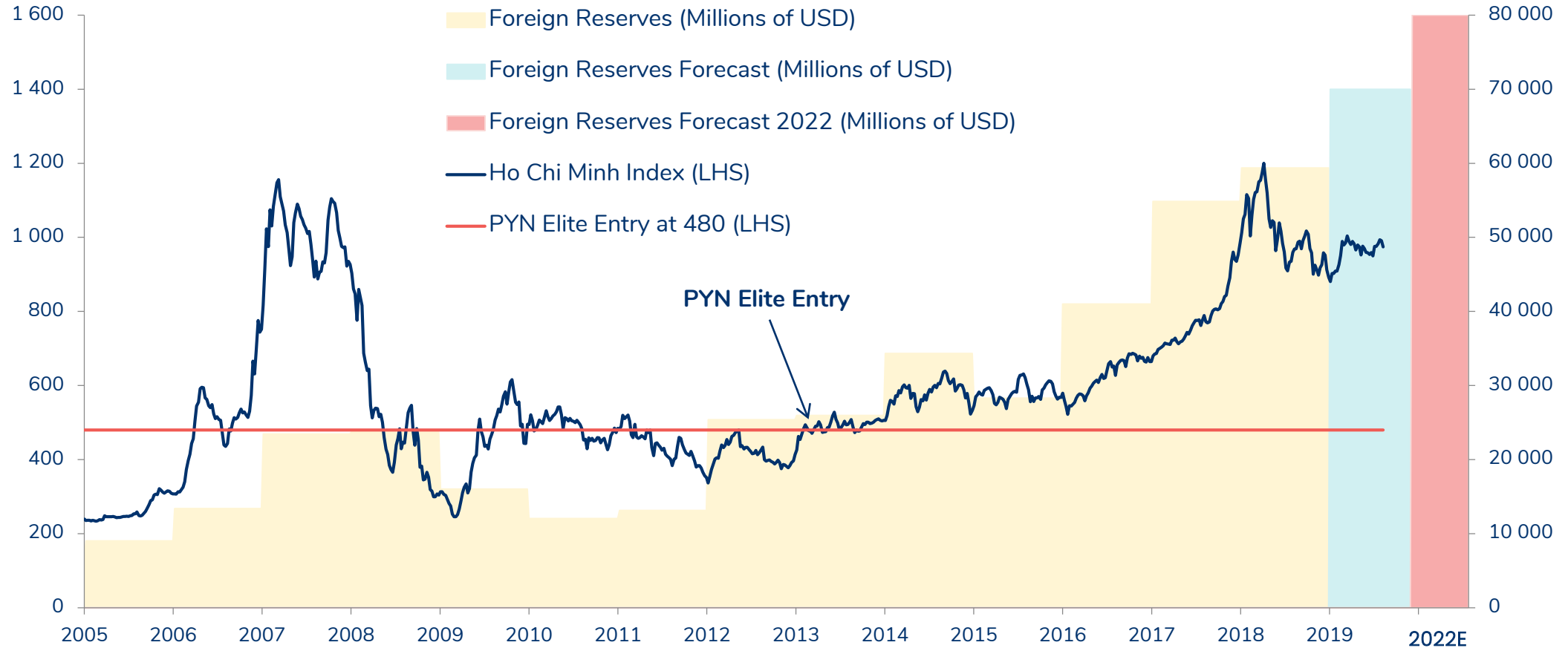
Exports from Vietnam and Finland relative to World Exports



Source: www.trademap.org

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.

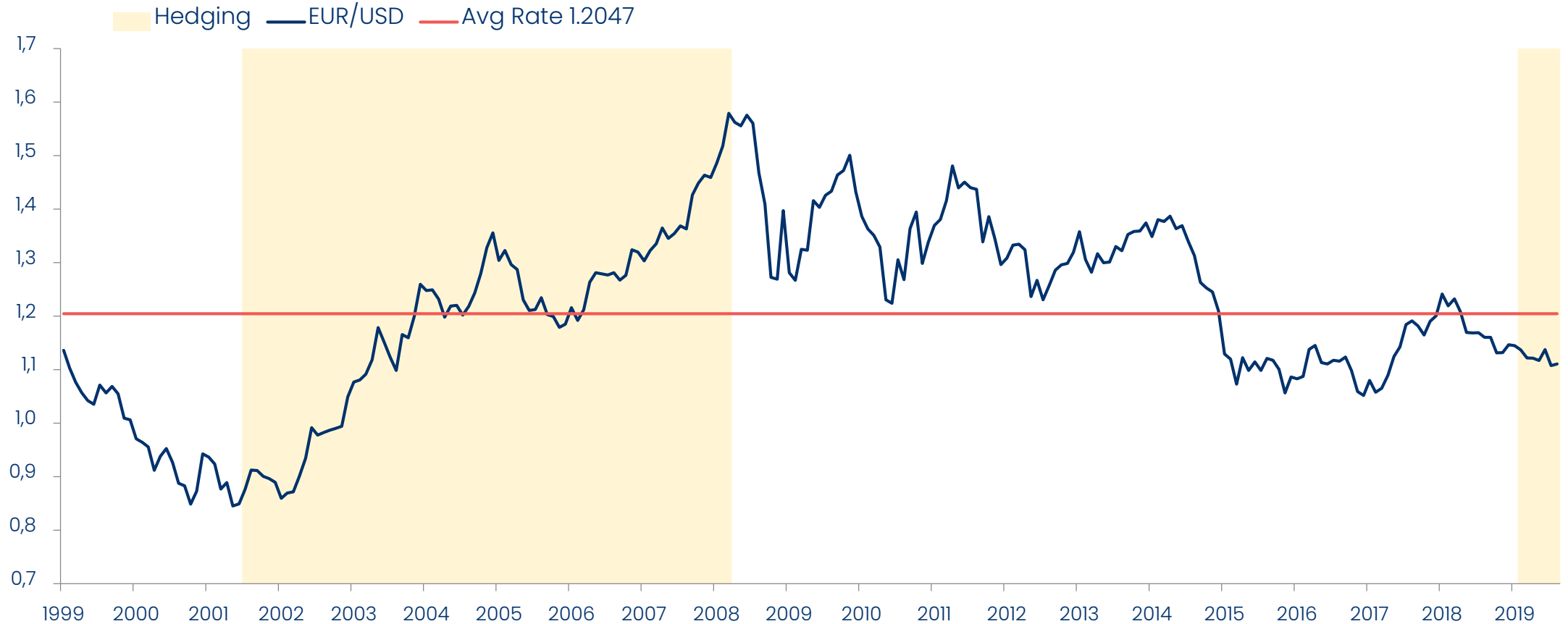
Vietnam Stock Market and FX Reserves



Source: PYN Fund Management

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.

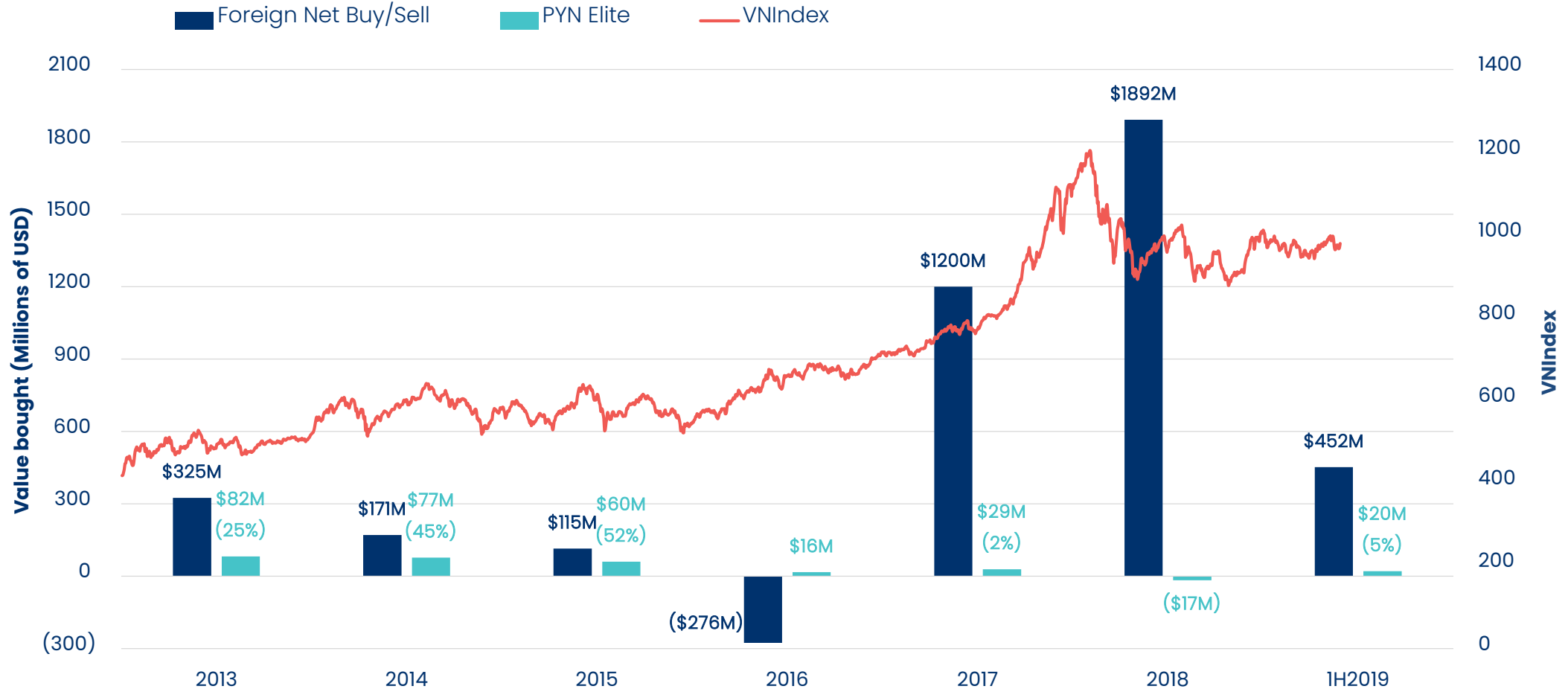
EUR/USD Rate and PYN Elite Hedging



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

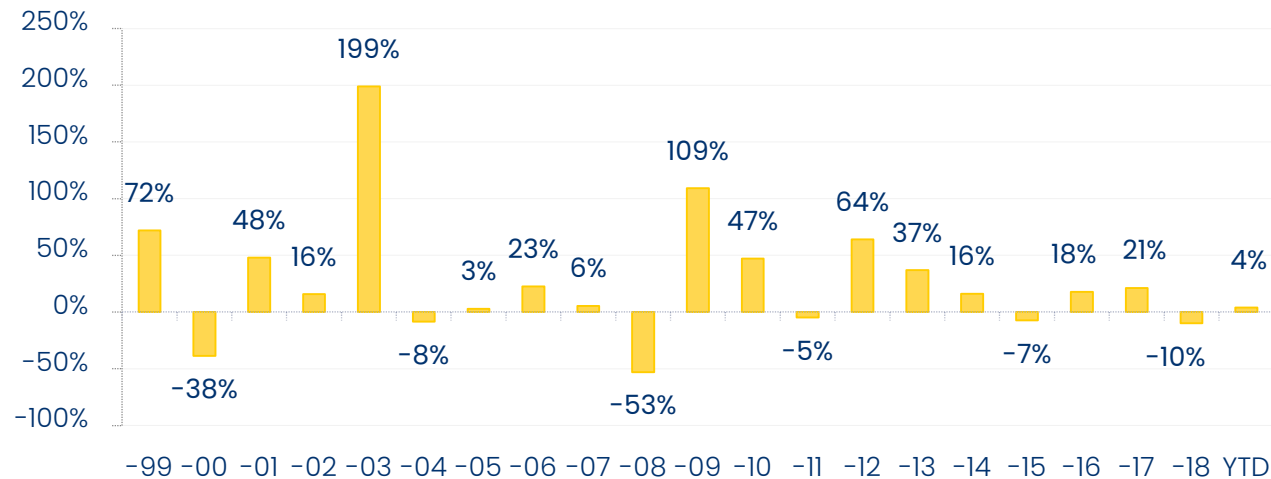


VNIndex per 15.08.2019, Source: FiinPro Vietnam

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	296.53
%		72	64	37	16	-7	18	21	-10	4
MSCI Asia ex Jap (EUR)			415	400	466	460	488	593	521	537
%				-4	16	-1	6	22	-12	3
SET Index *+ currency %		43	37							
PYN Elite better / worse % *SET excl. Dividends		30	27	41	0	-6	12	-1	-2	1

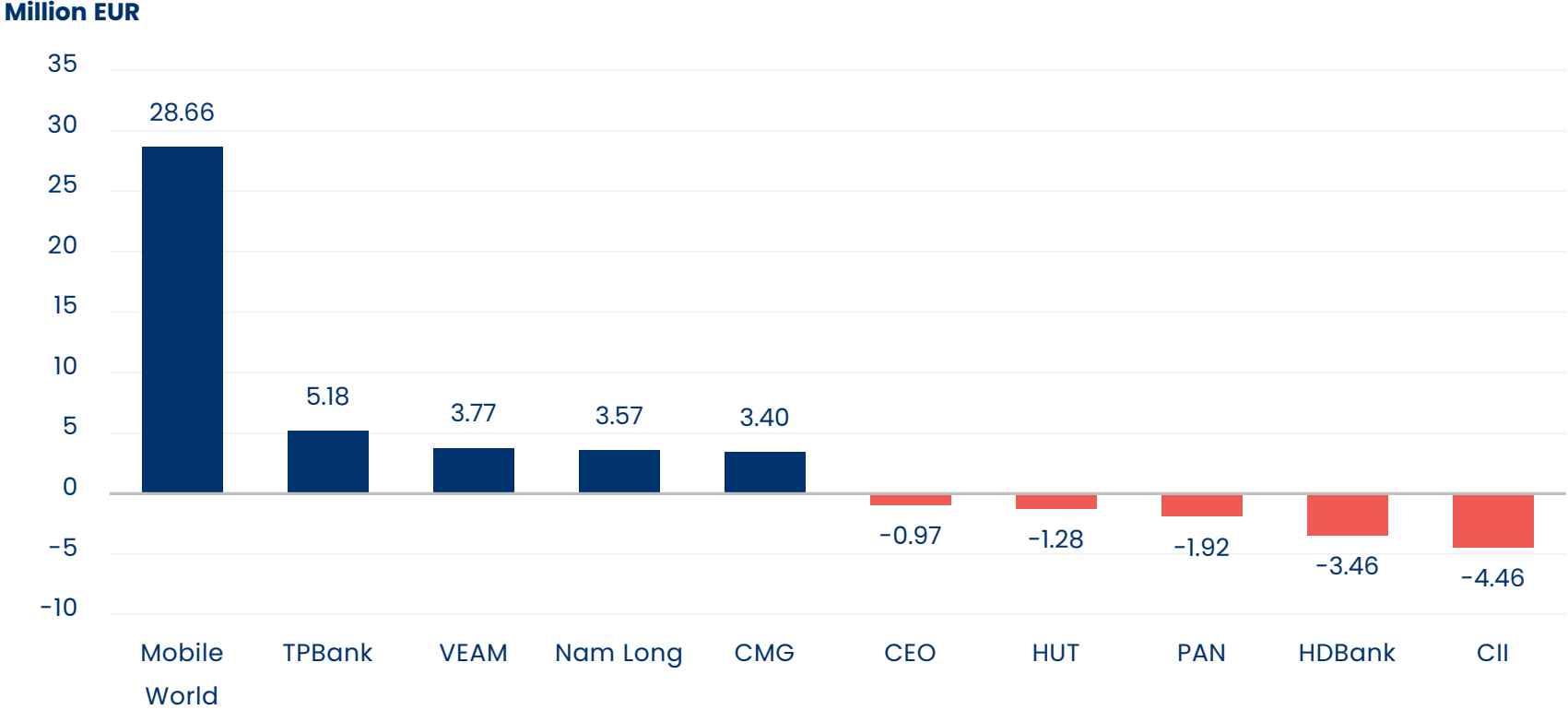


Cumulative Return
+2 865 %

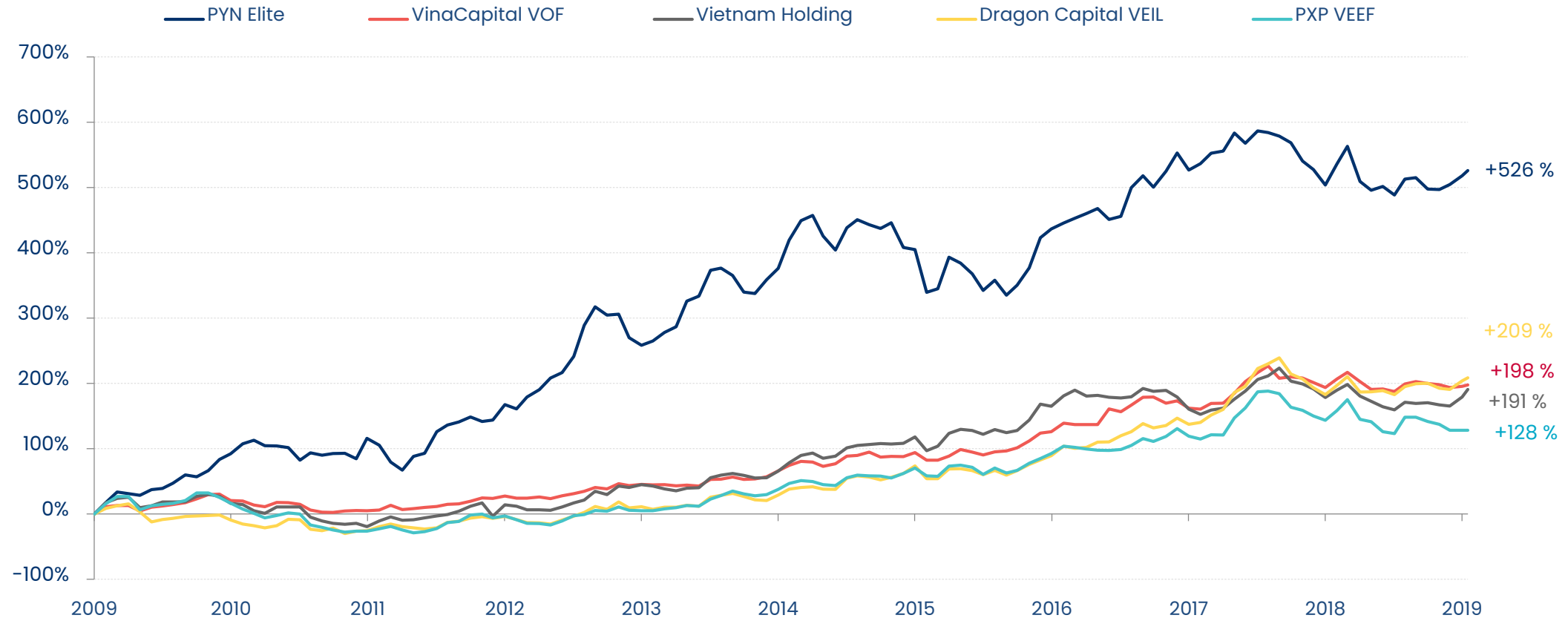
Annualized Return
+17.9 %

YTD 15.08.2019
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.

Top 20 Ranking – Funds by Morningstar.fi per 15th August 2019, total 22 876 funds



	Fund	10YR annualized return (%)
1	JPMorgan Funds - US Technology Fund C (acc) – USD	21.40
2	Morgan Stanley Investment Funds - US Growth Fund I EUR	20.10
3	Polar Capital Funds PLC - Polar Capital Global Technology Fund Income EUR	19.76
4	Danske Invest Global Tech K	19.73
5	Variopartner SICAV - MIV Global Medtech Fund I1 CHF	19.62
6	Franklin Technology Fund W (Acc) EUR	19.47
7	PYN Elite Fund	19.44
8	DNB Fund Technology retail A	19.40
9	ODIN Kiinteistö A EUR	19.21
10	Candriam Equities L Biotechnology Class C USD Cap	18.88
11	Vanguard U.S. Opportunities Fund Investor GBP Income	18.79
12	T. Rowe Price Funds SICAV - US Blue Chip Equity Fund Q USD	18.79
13	Fidelity Funds - Global Technology Fund Y-Acc-EUR	18.69
14	BlackRock Global Funds - World Technology Fund D2 EUR	18.42
15	Wells Fargo (Lux) Worldwide Fund - U.S. All Cap Growth Fund A USD Acc	18.15
16	PGIM Jennison US Growth Fund USD I Accumulation	18.13
17	Brown Advisory US Equity Growth \$ B	17.94
18	AB - American Growth Portfolio I Acc EUR	17.89
19	UBS (Lux) Equity SICAV - USA Growth (USD) Q-acc	17.69
20	Amundi Funds - Pioneer US Equity Fundamental Growth I2 USD C	17.58



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Disclaimer

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