PYN ELITE

Investor Letter 2/2026

30 Jun 2026

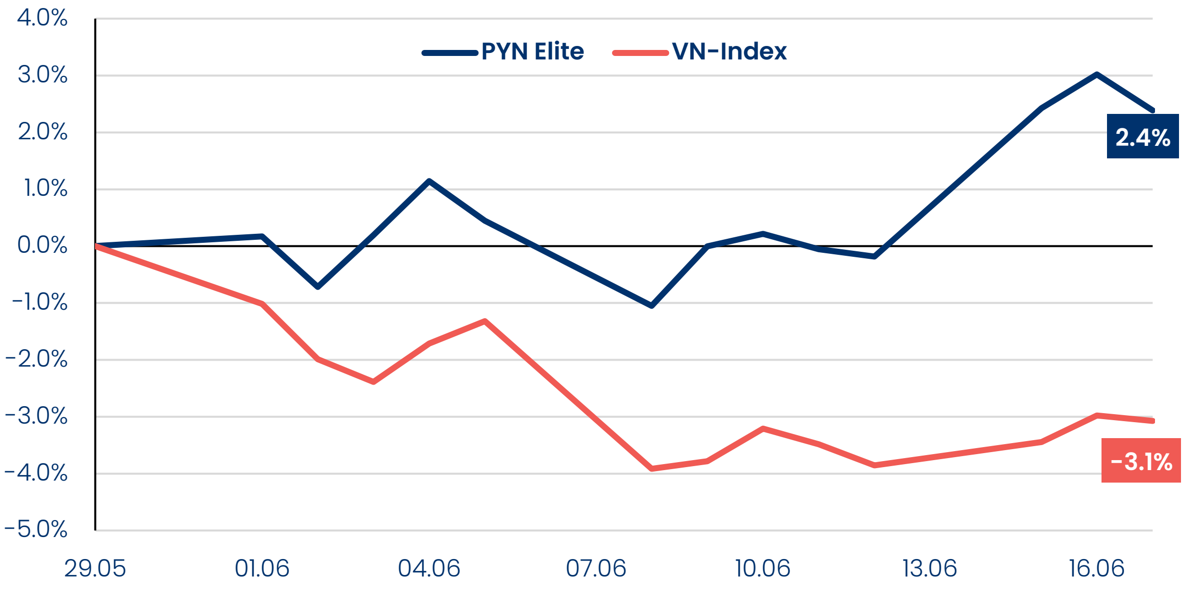
A SUMMER NOTE FROM THE FINNISH ARCHIPELAGO

Right off the bat, PYN Elite's figures: up 12% over the past year, down 3% year-to-date.

My most recent personal PYN Elite subscription dates from November 2025, and it has returned −1%. I took out a two-year bullet loan from the bank to fund the subscription, so the loan's servicing costs still have to be deducted from the eventual return.

Three times before, I've dared to leverage my fund holdings, at moments when PYN Elite's portfolio has looked damn cheaply valued and the earnings outlook has been right where it should be. The NAV has now slipped further since I made the subscription, but that has happened before, too. Even so, I've always ended up with clearly positive returns on a leveraged subscription before the bullet loan's maturity date has come around.

Since the beginning of June, PYN Elite has outperformed the VN-Index



Per 17th Jun 2026 Source: Bloomberg

Vingroup's shares have been both a bright spot and a burden for the VN-Index for quite some time now. The sharp swings in a handful of stocks within the group have dominated the index's performance. The broader market has been in a lull while all the attention has been focused on a few companies. Many stocks have moved only modestly — or even miserably — despite the strong results the companies have posted and their excellent earnings outlooks. Investors have yet to step in, even though the peace negotiations between Iran and the United States have progressed and, in turn, inflation expectations have eased and the likelihood of rate hikes has fallen.

PYN Elite's portfolio: buys and sells

The holdings now versus a year ago

Company	Now (17 Jun 2026)			A year ago (18 Jun 2025)	
	Rank	Weight		Rank	Weight
STB	1	16.4%	Reduced	1	21.0%
HPG	2	13.7%	New	-	0.0%
MWG	3	9.9%	Increased	4	7.7%
FPT	4	7.9%	New	-	0.0%
HVN	5	5.9%	Increased	5	7.1%
SHS	6	5.1%	Increased	12	2.3%
OCB	7	4.9%	Increased	8	4.5%
VIB	8	4.8%	Increased	7	4.6%
TCX	9	4.1%	New	-	0.0%
ACV	10	3.9%	Reduced	3	7.8%
CTG	14	2.4%	Reduced	6	5.6%
VCI	15	2.3%	Reduced	9	4.1%
MBB	-	0.0%	Sold	2	12.7%
VIX	-	0.0%	Sold	10	3.9%

Source: PYN Fund Management

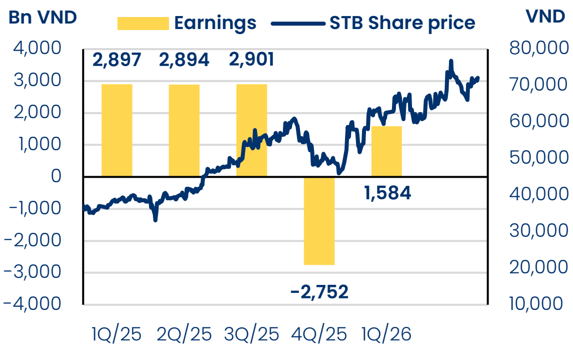
STB

Sacombank has been a great move for us since November 2022. We quickly built it into a large position in the portfolio at a very favorable price. The position now has an unrealized return of nearly 200%. It's rather bizarre that the stock is also one of the portfolio's best performers over the past 12 months (+57%), even though the bank’s two most recent quarterly results have been weak.

The stock's overall weight in the portfolio has shrunk, and we have realized gains on it over the past 12 months. Thanks to its strong performance, the position has at times exceeded a 20% portfolio weight, at which point we have sold shares. Over the year, the position has been reduced by 44 million shares and now stands at 62 million shares. We own 3.3% of the bank. STB remains PYN Elite's largest allocation, with a weight of 16.4% of the portfolio.

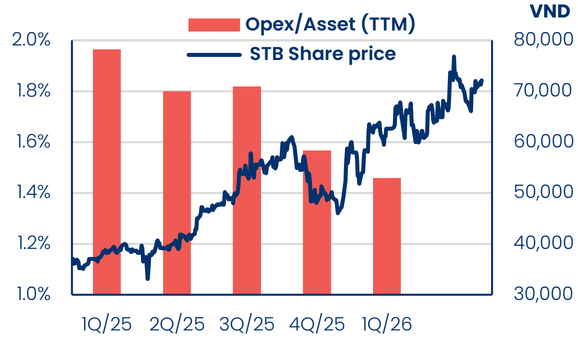
It's important to note that the bank's ownership restructurings are in progress, which is why the stock is still worth holding in the portfolio. These ownership arrangements may even be behind some of the provisioning that weighed on earnings in Q4 2025 and Q1 2026. For 2026, we expect Sacombank to deliver brisk earnings growth.

STB: soft Q4 2025 and Q1 2026



Source: Bloomberg
Per 17th Jun 2026

STB: cost-to-income ratio improving



Source: Bloomberg, FiinPro
Per 17th Jun 2026

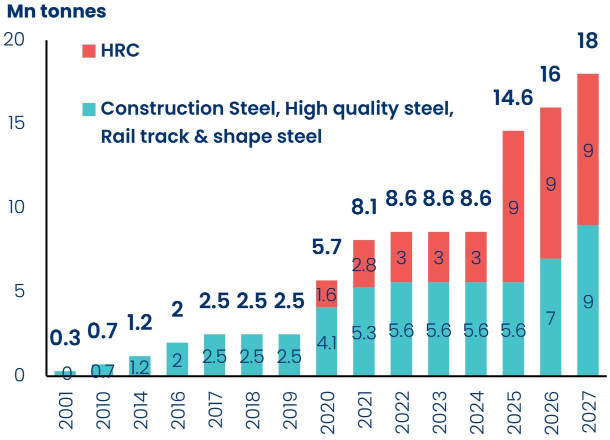
HPG

The steel company HPG has, over the past ten years, invested with determination in modern steel production and risen into the ranks of the world's thirty largest steel companies. The new capacity is needed right now, just as Vietnam has begun pushing through its mega-projects and the outlook for steel demand is highly favorable for the coming years.

The company's earnings have already started to rise briskly. I visited HPG's largest production facility in early May, where the plant manager told me the plant was running output at 110% utilization. Yet the stock has not reacted to the excellent Q1 results or to the favorable outlook the company has confirmed.

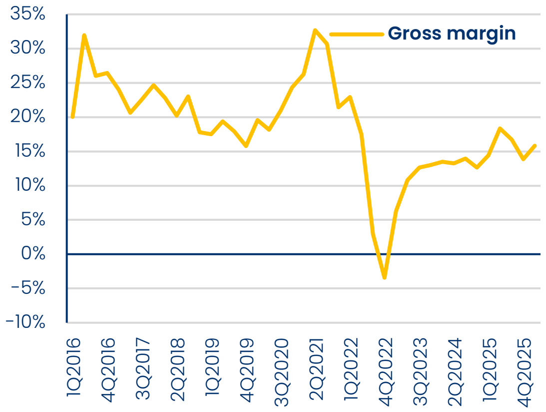
We built a large HPG position in our portfolio during late winter, and we're roughly at our entry price. The company's P/E is 7.1 on 2026 earnings estimates and 6.2 for 2027. HPG is an extremely well-run company, a blue chip on the Vietnamese market. We felt the timing for this allocation was excellent, so over a couple of months we raised its weight in our portfolio from zero to 14%.

HPG: growing capacity

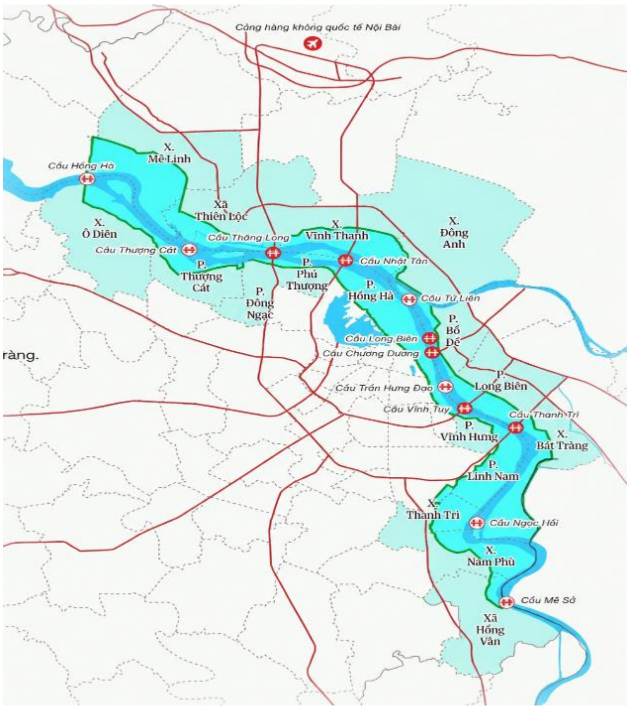


Source: HPG

HPG: EBITDA rising



Source: Bloomberg



Source: VietnamBiz

In addition, HPG has an ace up its sleeve. The company is involved in the enormous Red River Boulevard project, covering 11,000 hectares. The real-estate project focuses on developing the banks of the river that flows through central Hanoi. The city has already approved the project, and its zoning will likely be completed this year. The project will generate construction work for 10–20 years, and we believe equity investors will come to appreciate the hidden value it holds as it progresses.

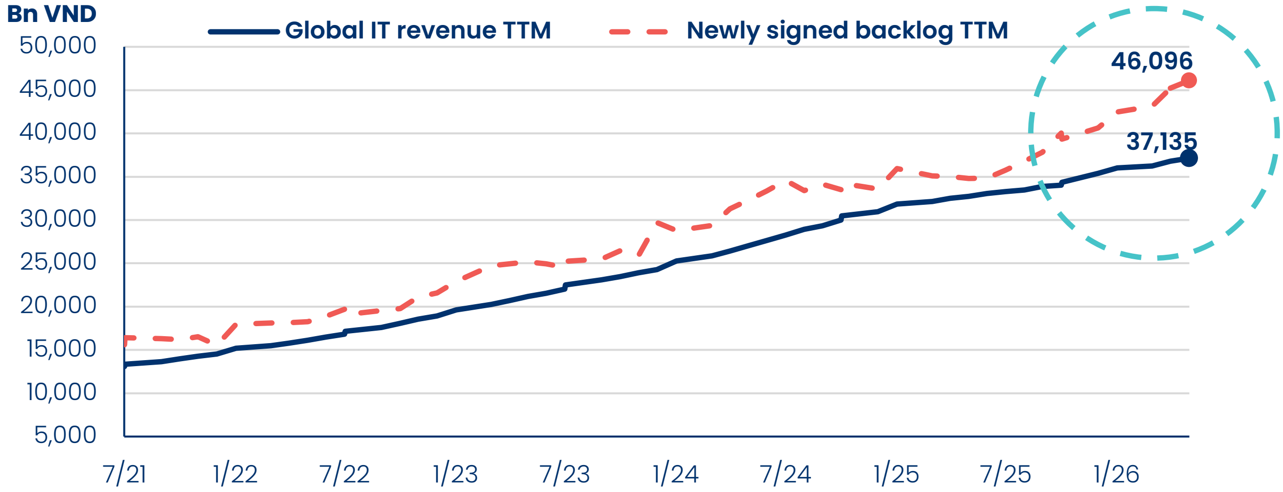
The project is carried out on a build-transfer (BT) basis, where project owners build and hand over something important to the public sector — such as bridges and parks — and receive raw land in return. The investors benefit by developing this land into highly profitable residential projects in prime locations.

FPT

FPT's revenue and earnings have grown well for a long time now, even though the global software industry went through a sluggish period in new orders in 2025.

We built a position in the company in late autumn 2025, when the stock had sold off sharply. Since we built the position, the stock has slid somewhat further. The company's earnings growth nevertheless continues, and the valuation has fallen to a very low level: the P/E is 12 on 2026 earnings estimates and 10 for 2027. During the spring, order books have also shown a clear pickup, even though the looming fear has been that AI will erode the orders. FPT's new orders grew +31% during January–May. The software industry is in the midst of major change worldwide, but FPT may also benefit from the advance of AI, as AI applications are needed for broader system integrations.

FPT's new orders have risen solidly in spring 2026



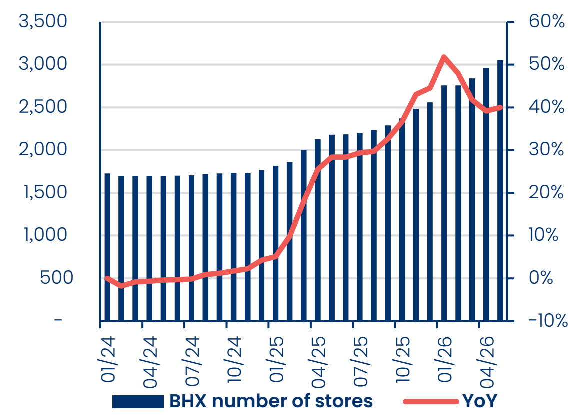
Source: FPT

MWG

Vietnam's consumer demand is clearly picking up, and along with it the sales of MWG Group's retail chains have grown. MWG's earnings growth has accelerated to a very strong pace. We know the company well. We took it back into the portfolio in the spring of 2025 and have since increased its weight. The stock has risen moderately, but nowhere near the pace that the earnings growth would have warranted. MWG trades at a P/E of 10.0 on 2026 earnings estimates and 8.4 for 2027. Given the company's quality and growth rate, it could sustain a P/E closer to 20.

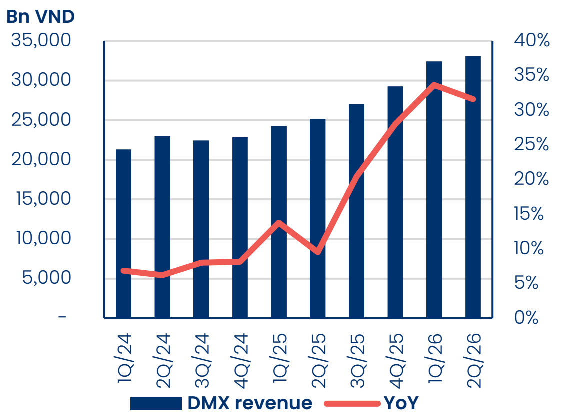
Bach Hoa Xanh grocery chain is growing fast

500–1,000 new stores a year.



Source: MWG

Electronics and home-appliance chains are also seeing sales grow briskly



Source: MWG

*Q2 2026 figures are based on June estimates

HVN

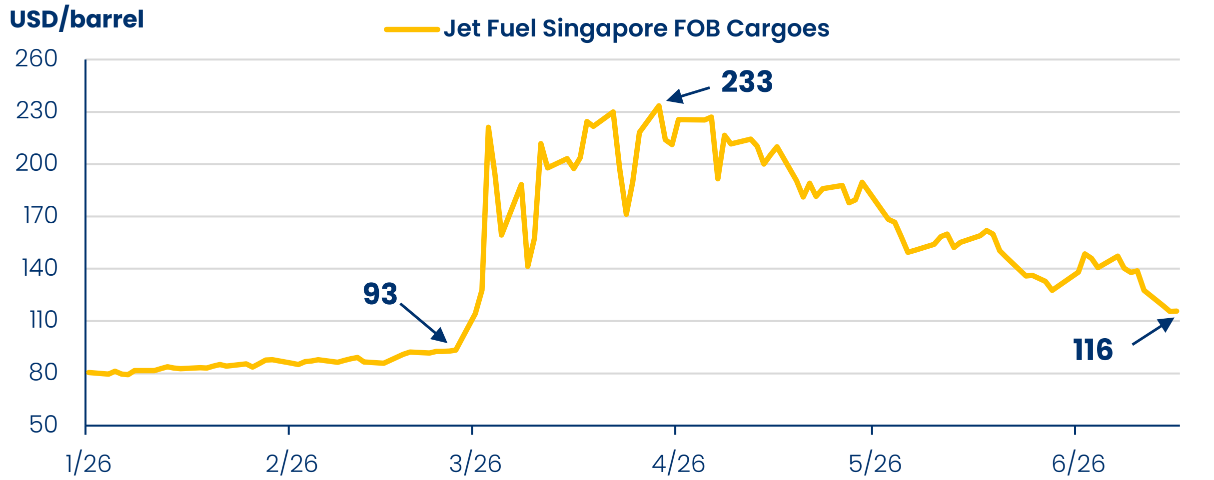
The Vietnam Airlines position was built a couple of years ago, in the spring of 2024, when the company's market cap relative to revenue had plunged due to the weak results during the pandemic.

We entered at P/S levels of 0.40–0.45. Thanks to the post-pandemic earnings turnaround, the stock had already managed to trade at nearly a P/S of 1.0, but the share's price performance stalled completely with the war in Iran and the rapidly climbing price of jet fuel. Q1 2026 was excellent in terms of earnings, but the Q2 result will sink clearly into a loss. We believe the price of jet fuel will return to lower levels, at which point the stock would have room to rise again. Vietnam Airlines also has interesting subsidiaries on its balance sheet in aviation-sector services. In the coming years, these subsidiaries may be listed on the stock exchange, which would bring out the market-based values of these holdings.

Vietnam Airlines' stock is cheap, trading at a P/S of 0.5

Per 17th Jun 2026 Source: Bloomberg

Asian JET A-1 jet fuel market price during the war in Iran

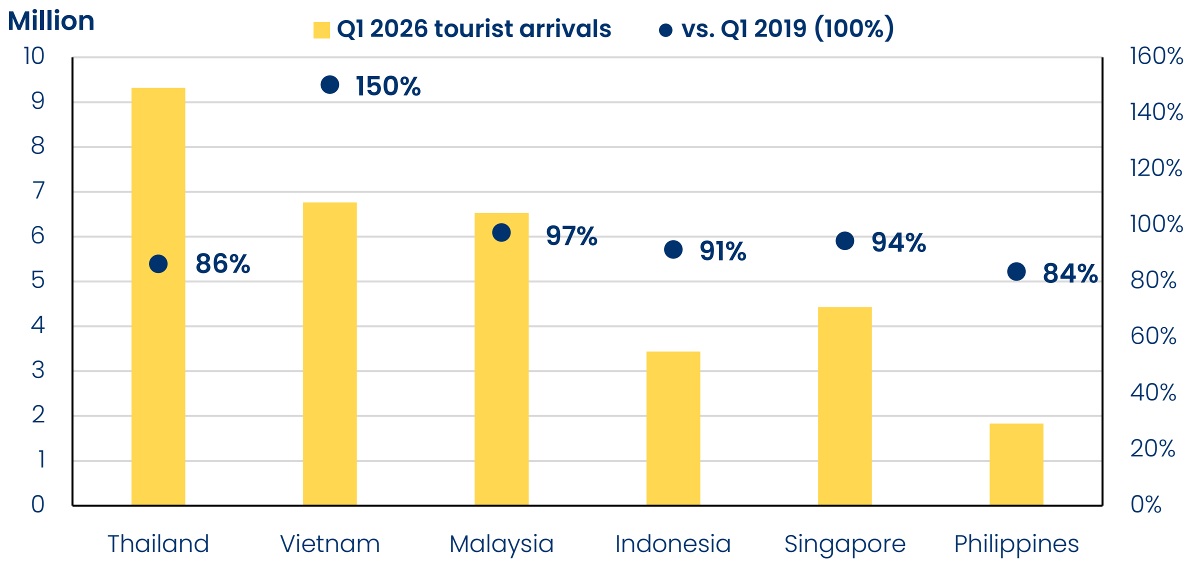


Per 17th Jun 2026 Source: Bloomberg

ACV

ACV operates an airport network with extensive coverage across Vietnam, which brings the company abundant cash flow at a high operating margin. Changes have recently been made in ACV's management, as irregularities were discovered in the construction project for Saigon's new airport — which has weakened previously reported results and caused harm to shareholders. Vietnam's air traffic looks very strong, thanks to both domestic and rapidly growing international traffic.

Below is a comparison with other ASEAN countries, showing how their air traffic has recovered from the pandemic era.

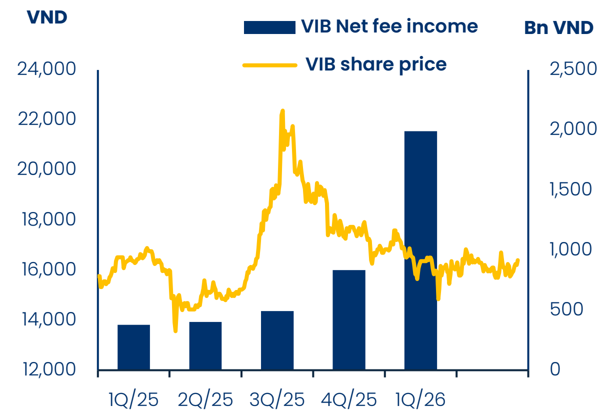


Source: Bloomberg, National Statistical Offices and Tourism Authorities

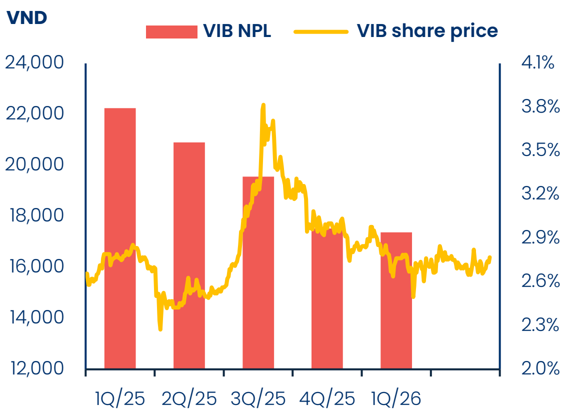
OCB/VIB

Vietnam's strong economic growth creates supportive conditions for the success of the entire banking sector. We believe that over the course of this year and next, the amount of NPL provisions in the industry will decline, which on its own already lifts banks' earnings. In addition, new lending and growing fee income from other financial-sector services support earnings growth. In recent months, however, banks' earnings growth has been weighed down by rising inflation expectations and interest rates, along with a slight tightening of liquidity.

VIB Bank's weak share-price performance despite growth in fee income



VIB Bank's easing trend in NPL provisions

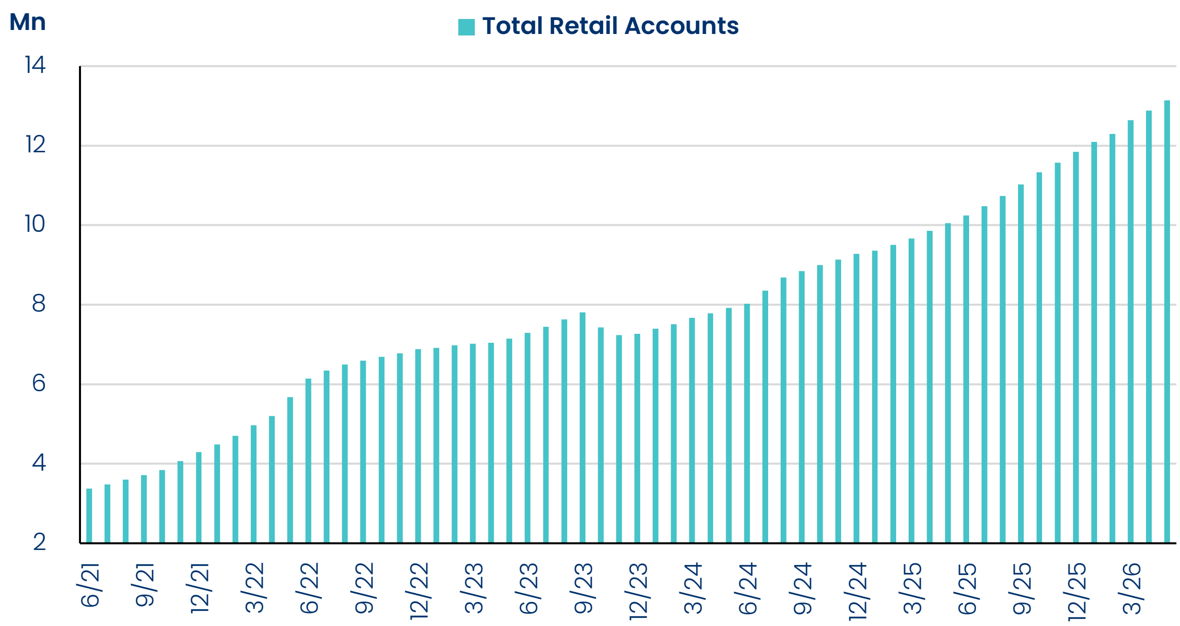


Source in both: FiinPro, Bloomberg

TCX/SHS/VCI

We have kept allocations into brokerage sector, since the upgrade to Vietnam's market status decided by FTSE is likely to increase daily trading volumes on the exchange, which benefits brokerage firms. The IPO market, too — very subdued for a couple of years now — is gaining additional momentum, which keeps investment bankers busy and fees growing. We have adjusted the weights of the brokerage stocks mainly because of their relative valuation multiples.

The Vietnamese market sparks interest among local retail investors, and the number of new client accounts continues to grow.



Source: VSD

MBB/GEX/CTG

MBB: We continue to expect brisk earnings performance from MBB Bank and see upside in the stock. We nevertheless decided to realize the good gains it had generated, as we had reallocation ideas for rebalancing the portfolio's banking weight. MBB was the second-largest position in our portfolio, at a weight of 12%. The proceeds came to EUR 157 million and the realized gain to EUR 75 million. The return was 90%.

GEX: We bought a cheap speculative play, a stock with a fundamentally sound conglomerate, but GEX has been a jumpy mover. We got in in late spring 2025, and after the summer we decided to realize the 40% return that had quickly built up.

CTG: Due to other investment ideas, we have at times trimmed CTG's share of the portfolio, even though the bank's business is heading in a good direction and the stock still has upside as well. We sold a total of roughly EUR 41 million worth of the bank's shares, from which we booked gains of EUR 19 million. The return was 90%.

In July, Q2 results will be published. We assume they will be good overall, even though the war between Iran and the United States had already affected the economic operating environment in Vietnam as well.

Next subscription date is 31st July 2026.

Wishing you a great summer!

PYN ELITE
Petri Deryng
Portfolio Manager

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PYN Elite

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