

# VinaCapital Dynamic Dividend Equity Fund (VINACAPITAL-VDEF)



As of 31 March 2026

The fund applies active investment strategy and bottom-up stock selection through a deep dive research and analysis, concentrates on stocks which are expected to deliver consistent returns in the mid to long term with both capital gain and downside protection from stable dividends. The fund mainly invests in listed companies that have sound fundamentals, strong financial positions and cash flows, as well as the ability to pay significant dividends over time.

## Performance Summary

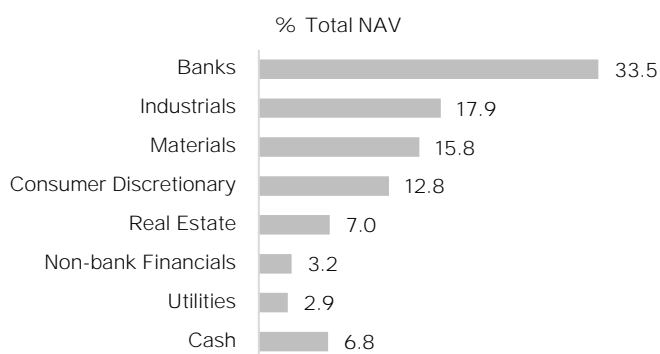
	VINACAPITAL-VDEF	VN-Index
Mar 2026 return (%)	(5.6)	(10.9)
YTD 2026 return (%)	6.5	(6.2)
3-year annualized return (% p.a.)	-	-
5-year annualized return (% p.a.)	-	-
Annualized return since inception (% p.a.)	13.7	17.8
Cumulative return since inception (%)	25.5	33.5

*Past performance is not necessarily guidance to the future. Investment returns are not guaranteed and may experience short-term fluctuations. Investors are recommended to have a medium-to-long-term investment horizon to optimize performance.*

## Performance Chart



## Sector Allocation



## Top 10 Holdings

Ticker	Sector	% of NAV
STB	Banks	8.4
MBB	Banks	8.2
PHR	Materials	7.7
HPG	Materials	6.2
CTG	Banks	5.8
GMD	Industrials	4.5
MWG	Consumer Discretionary	4.1
VCB	Banks	4.0
REE	Industrials	3.8
HDB	Banks	3.7
TOTAL		56.6

Classified: Public

## Monthly Commentary

### EQUITY MARKET UPDATE

In March 2026, global stock markets underwent a sharp correction amid escalating conflicts in the Middle East. Against this backdrop, the VN-Index plummeted 10.9% during the month, bringing the Vietnam stock market's year-to-date decline to 6.2%.

The conflict between the U.S.–Israel and Iran, which erupted in late February, has had a widespread impact on global energy and financial markets. Iran's blockade of the Strait of Hormuz—a vital transit route for approximately 20% of global crude oil and LNG production—disrupted supply chains and drove energy prices significantly higher. Brent crude surged from around \$70/barrel in February to \$104/barrel by the end of March, while Asian LNG prices nearly doubled. According to IMF estimates, every 10% increase in oil prices adds 0.4% to inflation and reduces global GDP growth by 0.15%. Vietnam's economy has felt the distinct impact of rising imported fuel prices. Increasing input costs have put pressure on inflation and corporate profit margins. Concurrently, concerns over a global economic slowdown prompted investors to accelerate capital withdrawals from emerging markets, including Vietnam. Foreign investors were heavy net sellers, offloading VND 17.5 trillion across all three exchanges in March—the highest net selling level in the past five months.

In response to volatile global fuel prices, the Vietnamese Government proactively implemented measures to control retail petrol prices and mitigate the economic impact. In March alone, the Petrol Price Stabilization Fund was utilized nine times, with total estimated expenditures reaching VND 5.3 trillion. Notably, effective March 27, 2026, the environmental protection tax on gasoline, diesel, and jet fuel was reduced to 0 VND/liter, and these items were exempted from VAT declaration and payment. Furthermore, the Government proposed extending the 0% import duty on petroleum products until June 30, 2026, and decided to advance VND 8 trillion from the 2025 central budget surplus to replenish the Stabilization Fund.

Q1 2026 economic data reflected multi-dimensional shifts, with GDP growth reaching 7.8%. Although this fell short of the Government's 8.0% target, it established a solid foundation for the year's growth. The primary driver was the manufacturing and processing sector, which grew by 9.7%. Export activities maintained strong momentum, rising 19%, highlighted by a 46% surge in electronics and computers. A 27% spike in imports, concentrated in electronic components, led to a trade deficit of \$3.6 billion; however, this also signals corporate expectations for production expansion in the coming period. Domestic consumption remained a bright spot, with real retail sales up 7.0%, indicating stable domestic demand. Meanwhile, investor confidence in Vietnam's long-term prospects was reaffirmed by a 43% jump in newly registered FDI.

Regarding macroeconomic balances, March inflation reached a five-year peak of 4.7%, largely due to surging energy and transportation prices. Deposit rates also edged up by approximately 50 basis points, with 12-month rates nearing 7%. Nevertheless, the USD/VND exchange rate remained relatively stable, appreciating only 1.1% from the previous month, significantly lower than the DXY Index's 2.4% gain. In this environment, the State Bank of Vietnam is expected to continue prioritizing macroeconomic stability and inflation control while balancing growth support.

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## Portfolio Statistics

	VINACAPITAL-VDEF	VN-Index
2026 P/E (x)	10.1	12.0
2026 P/B (x)	1.5	1.7
2026 ROE (%)	15.0	15.4
2026 Dividend yield (%)	2.4	1.9
Portfolio turnover (Since inception) (%)	159.3	-
Sharpe ratio (Since inception)	0.6	0.8
Beta (Since inception)	0.8	1.0
No. of stocks	22	425

(Source: VinaCapital's forecast)

## Fund Information

Total AUM (VND billion)	345.4
NAV/Share (VND)	12,553.6
Fund launch date	24 June 2024
Management fee	1.75% per annum
Subscription fee	0%
Redemption fee	Day 1 to Day 364: 2%
	Day 365 to Day 729: 1%
	From Day 730 onwards: 0%
PIT	0.1%
Custodian & Supervisor bank	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Daily, from Monday to Friday
Benchmark	VN-Index

(The NAV is net of management fee & administrative expenses.)

## Contact Information

VinaCapital Fund Management JSC  
17th Floor, Sun Wah Tower  
115 Nguyen Hue, Sai Gon Ward, Ho Chi Minh City, Vietnam  
Investor Relations: [irwm@vinacapital.com](mailto:irwm@vinacapital.com)  
Tel: +84 28 38 27 85 35

## Monthly Commentary (continued)

### FUND UPDATE AND INVESTMENT OUTLOOK

Despite challenging market conditions, the net asset value (NAV) per unit of VINACAPITAL-VDEF declined 5.6% in March, significantly outperforming the VN Index's 10.9% fall. On a year-to-date basis, the fund's NAV per unit is up 6.5%, outperforming the VN Index by 12.6 percentage points over the first three months of 2026.

These results reaffirm the effectiveness of our selective stock picking and active portfolio allocation strategy during challenging market conditions. Notably, despite the broader market downturn, several holdings recorded positive gains in March, led by DCM (+14.4%), REE (+12.3%), and HDG (+10.0%). This reflects the resilience and competitive advantages of these companies amidst escalating oil and energy prices.

The composition of the fund's top 10 holdings remained largely unchanged at the end of March compared to the previous month. We maintain a positive outlook for the Q1 2026 earnings and the full-year performance of these core investments. Furthermore, we are closely monitoring Q1 results and material developments from the upcoming Annual General Meeting (AGM) season to facilitate portfolio adjustments as necessary.

Many of our major holdings have announced positive growth targets for 2026. Military Commercial Joint Stock Bank (MBB) has set a pre-tax profit goal of VND 39.408 trillion for 2026, a 15% increase year-on-year. Capital mobilization and credit growth are projected at 30%, while the non-performing loan (NPL) ratio is to be maintained below 1.5% to ensure operational efficiency and risk safety.

Regarding Hoa Phat Group (HPG), the 2026 guidance features record revenue of VND 210.000 trillion and a net profit of VND 22.000 trillion, representing increases of 35% and 42% respectively over the previous year. This growth trajectory is underpinned by the full-capacity operation of the Dung Quat 2 project, raising total crude steel capacity to approximately 16 million tons per annum. HPG continues to solidify its leadership in the regional steel industry and remains a cornerstone investment for the fund, with significant growth potential as Vietnam accelerates its infrastructure development.

Looking ahead, we believe the volatility seen in March is transitory in nature and primarily reflects short-term market sentiment rather than any fundamental deterioration in Vietnam's economic outlook. The country's core growth drivers — including industrial production, exports, public investment disbursement, and foreign direct investment — remain firmly on track. Historically, geopolitical shocks of a similar nature have tended to cause only temporary disruptions to equity markets, with investor sentiment stabilizing as the situation becomes clearer. Following the sharp correction in March, we believe valuations across many portfolio holdings have reached attractive levels, presenting a compelling accumulation opportunity for investors with a medium- to long-term investment horizon.

## Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024						-1.3%	1.0%	0.9%	0.7%	-1.2%	0.9%	4.0%	4.9%
2025	-0.8%	5.0%	-3.8%	-13.3%	4.4%	5.5%	6.4%	9.9%	-2.0%	0.3%	0.2%	2.0%	12.4%
2026	8.7%	3.7%	-5.6%										6.5%

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