

VinaCapital Leading Enterprise Equity Fund (VINACAPITAL-VEOF)



As of 31 May 2026

The Fund primarily invests in large- and mid-capitalization companies, including industry leaders with differentiated competitive advantages in sectors that are representative of the broader economy. Through an actively managed and disciplined portfolio construction approach, the Fund aims to deliver outperformance over the medium to long term, while optimizing the risk-return profile for investors.

Performance Summary

	VINACAPITAL-VEOF	VN-Index
May 2026 return (%)	(3.5)	0.5
YTD 2026 return (%)	(2.0)	4.4
3-year annualized return (% p.a.)	15.9	20.1
5-year annualized return (% p.a.)	9.1	7.0
Annualized return since inception (% p.a.)	11.0	10.3
Cumulative return since inception (%)	246.5	222.4

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

Sector	% Total NAV
Banks	33.7
Industrials	17.7
Materials	15.8
Consumer Discretionary	14.7
Real Estate	7.0
Consumer Staples	2.9
Non-bank Financials	2.3
Information Technology	2.3
Energy	2.0
Cash	1.7

Top 10 Holdings

Ticker	Sector	% of NAV
MBB	Banks	8.1
CTG	Banks	7.5
HPG	Materials	6.1
MWG	Consumer Discretionary	5.5
VCB	Banks	5.4
PHR	Materials	4.9
STB	Banks	4.6
PNJ	Consumer Discretionary	4.4
HDB	Banks	4.3
GMD	Industrials	3.8
TOTAL		54.5

Classified: Public

Monthly Commentary

Stock Market Update

In May 2026, market performance continued to exhibit significant divergence, with index gains primarily driven by a small group of stocks in the Vingroup ecosystem and the oil & gas sector, while approximately two-thirds of stocks listed on HOSE declined over the month. The VN-Index reached a new all-time high of 1,928 on 18 May, but failed to sustain this momentum in the second half of the month amid weakening liquidity, persistently high interest rates, and continued net foreign outflows. As a result, the index ended May with a modest 0.5% month-on-month gain, while declining 3.3% from its intra-month peak.

Market liquidity remained subdued. Average daily trading value across the three exchanges totaled VND 26.4 trillion, broadly flat compared to April and marking the lowest level year-to-date. Foreign investors maintained a net selling position for most of the month, with total net outflows reaching VND 19.6 trillion, the highest level recorded in the past seven months.

From a macroeconomic perspective, Vietnam's economy in May 2026 showed limited improvement relative to the previous month, as ongoing geopolitical tensions in the Middle East continued to exert pressure on inflation and consumer demand. At the same time, growth momentum in the manufacturing sector remained concentrated in a few key industries. A notable positive development was observed in foreign direct investment (FDI). Newly registered FDI reached USD 20.6 billion in the first five months of the year, representing a 33% year-on-year increase, while disbursed FDI totaled USD 9.75 billion, up 9.6% year-on-year. Of this, 82.7% was concentrated in the manufacturing and processing sectors, reinforcing Vietnam's role as a regional manufacturing hub. The manufacturing sector continued its recovery, although the quality of the recovery warrants close monitoring. The Purchasing Managers' Index (PMI) increased to 52.8 in May, marking the 11th consecutive month of expansion. However, this partly reflects inventory accumulation as a precaution against supply chain risks, rather than a sustained improvement in end demand. Meanwhile, the trade balance recorded a deficit of USD 5.2 billion in May, bringing the cumulative deficit for the first five months of the year to USD 13.8 billion, equivalent to approximately 7% of GDP. Imports grew strongly by 31% year-on-year over the five-month period, driven primarily by electronic components and machinery used in processing and manufacturing activities. Exports increased by 19.5%, but have become increasingly reliant on the FDI sector and the electronics segment, particularly computers and related products. In contrast, exports from domestic enterprises grew by only 2.5%, highlighting ongoing challenges faced by local businesses.

Inflationary pressures continued to build in May, with the Consumer Price Index (CPI) rising 5.6% year-on-year. This was largely driven by energy costs feeding through into transportation and construction materials, negatively impacting real purchasing power. Although real retail sales improved compared to April, growth remained below previous levels, with cumulative five-month growth easing to 6.1%, down from 7.0% in the first quarter. Liquidity conditions within the banking system remained tight. Credit growth reached 5.7% year-to-date, significantly outpacing deposit growth of 3%, resulting in continued upward pressure on deposit rates. While the State Bank of Vietnam has provided short-term liquidity support through open market operations, scope for interest rate cuts remains limited, given persistent risks related to inflation and exchange rates, as well as sustained demand for capital across the economy.

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Portfolio Statistics

	VINACAPITAL-VEOF	VN-Index
2026 P/E (x)	9.4	12.8
2026 P/B (x)	1.5	1.8
2026 ROE (%)	16.0	15.3
2026 Dividend yield (%)	2.6	1.8
Portfolio turnover (5-year, %)	56.4	-
Sharpe ratio (5-year)	0.4	0.2
Beta (5-year)	0.8	1.0
No. of stocks	30	425

(Source: VinaCapital's forecast)

Fund Information

Total AUM (VND billion)	1,674.6
NAV/Share (VND)	34,653.6
Fund launch date	01 July 2014
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.)

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Monthly Commentary (continued)

Fund Update and Investment Outlook

In May 2026, the net asset value (NAV) per unit of VINACAPITAL-VEOF declined by 3.5%, primarily due to weaker price performance of selected holdings in the banking, consumer, and construction materials sectors, in line with broader market trends. Nonetheless, we remain confident in the business outlook of the companies within the portfolio. These companies are currently trading at attractive valuation levels relative to their earnings growth prospects over the next 2-3 years.

Mobile World Investment Corporation (MWG) is a representative example. Despite a decline in its share price during May and over the first five months of the year, the company's operating performance has remained robust. MWG is proceeding with a public offering of 179.5 million shares in its subsidiary Dien May Xanh (equivalent to 14% post-issuance ownership) at an offering price of VND 80,000 per share. Following the issuance, Dien May Xanh is expected to reach an estimated market capitalization of approximately USD 3.9 billion. This development, together with the group's strong operating performance, is expected to support a re-rating of MWG's valuation in the near term. During the first four months of the year, MWG recorded revenue of VND 62.5 trillion, representing a 28.5% year-on-year increase. Revenue from Dien May Xanh and Bach Hoa Xanh reached VND 43.3 trillion and VND 18.0 trillion, respectively, corresponding to growth of 33% and 20%.

Phuoc Hoa Rubber Joint Stock Company (PHR), one of the fund's top ten holdings, also reported several positive developments at its annual general meeting in May. The company is expected to receive significant land compensation proceeds from the VSIP III and Bac Tan Uyen 1 industrial parks, with approximately VND 3.5 trillion yet to be recognized. This is likely to drive earnings growth above expectations during 2026-2027. For 2026, PHR has set a target net profit of VND 779 billion, representing a 57% year-on-year increase, and is well positioned to exceed this target within the first half of the year.

At the annual general meeting of VINACAPITAL-VEOF held in May, investors approved the renaming of the fund to VinaCapital Leading Enterprises Equity Fund, to better reflect its core investment strategy and enhance brand recognition. The fund will continue to pursue an actively managed investment strategy, focusing on large- and mid-capitalization companies, including industry leaders with sustainable competitive advantages in key sectors of the economy. The portfolio comprises companies with strong growth potential that are currently trading at discounts to their intrinsic value.

Despite near-term challenges, we maintain a constructive long-term view on the Vietnamese equity market, supported by attractive valuation levels. Specifically, the VN-Index's 2026 forward P/E, excluding the Vingroup-related stocks, currently stands at approximately 10x, approaching the lowest level observed over the past decade. Historically, periods of market volatility and heightened uncertainty have often created compelling entry points, offering attractive risk-adjusted returns over the medium to long term for patient and disciplined investors.

Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.0%	5.1%	3.3%	-6.0%	-4.1%	-4.7%	-1.3%	5.2%	-10.1%	-10.2%	0.8%	-0.1%	-21.2%
2023	7.8%	-5.3%	1.2%	-0.2%	3.0%	4.2%	8.2%	2.1%	-3.1%	-9.9%	8.5%	3.4%	19.5%
2024	4.1%	7.5%	3.9%	-3.9%	6.0%	0.1%	-0.1%	2.3%	0.8%	-0.8%	0.1%	2.5%	24.4%
2025	-0.4%	1.3%	-3.0%	-10.4%	6.2%	5.8%	6.8%	14.9%	-3.7%	-0.8%	-2.5%	0.8%	13.6%
2026	8.6%	1.4%	-6.9%	-1.0%	-3.5%								-2.0%

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