VinaCapital Discovery Equity Fund (VINACAPITAL-VDEF)

As of 30 June 2026

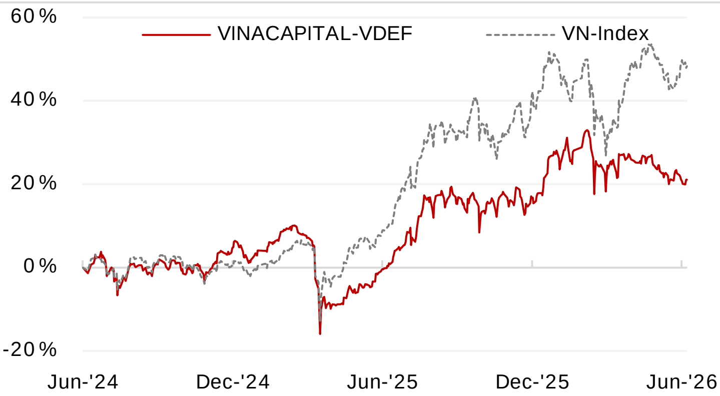
The Fund focuses on identifying investment opportunities in under-researched and overlooked companies that are trading at attractive valuations. The Fund adopts a high-conviction, actively managed investment strategy, with a preference for small- and mid-capitalization companies that possess scalable business models or are expected to undergo meaningful transformation, supported by strong catalysts that can unlock further valuation upside.

Performance Summary

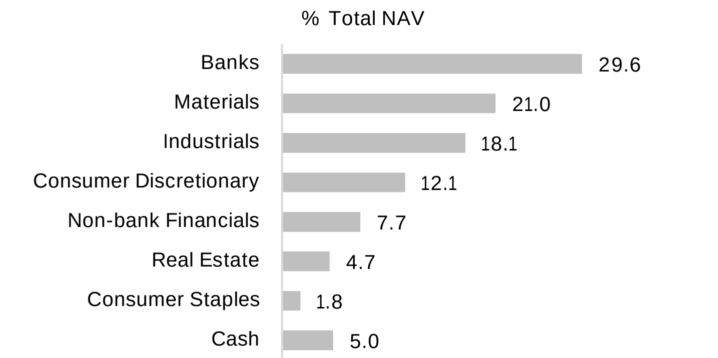
	VINACAPITAL-VDEF	VN-Index
Jun 2026 return (%)	(1.2)	(0.2)
YTD 2026 return (%)	2.7	4.2
3-year annualized return (% p.a.)	-	-
5-year annualized return (% p.a.)	-	-
Annualized return since inception (% p.a.)	10.0	21.6
Cumulative return since inception (%)	21.1	48.3

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
PHR	Materials	6.9
MBB	Banks	6.9
HPG	Materials	6.8
CTG	Banks	5.7
VCB	Banks	5.5
STB	Banks	4.7
FRT	Consumer Discretionary	4.1
GMD	Industrials	4.1
DPR	Materials	4.1
HDB	Banks	4.0
TOTAL		52.9

Monthly Commentary

Stock Market Update

The Vietnamese equity market was somewhat volatile in June, with market performance remaining highly differentiated across sectors and stocks. The VN-Index ended the month at 1,860 points, down a modest 0.2% from the previous month. Vingroup-related stocks continued to provide significant support to the market. Excluding VIC and VHM, the VN-Index would have declined by more than 1% during the month.

Year-to-date, the VN-Index has gained 4.2%. However, market breadth remained weak, with only 125 stocks advancing compared to 282 declining stocks. VIC and VHM continued to be the largest contributors to the index's performance, gaining 29.7% and 27.1%, respectively, since the beginning of the year. Excluding these two stocks, the VN-Index would have been down approximately 2% in the first six months of 2026.

Market liquidity weakened considerably, reflecting cautious investor sentiment amid persistently high interest rates. Average daily trading value reached USD 701 million in June, significantly lower than USD 955 million in May and the year-to-date average of USD 1.014 billion. Foreign investors remained net sellers, with net outflows totaling USD 583 million during the month (versus USD 735 million in May), bringing cumulative net foreign selling to more than USD 3 billion since the beginning of the year.

Vietnam's economy continued to deliver solid growth in the second quarter. GDP expanded by 8.2% year-on-year in the first half of 2026, including 8.4% growth in 2Q2026. The primary growth driver remained the industrial and construction sector, which expanded by 9.8% in the first six months of the year and 10.5% in the second quarter. Domestic consumption also remained resilient, with real retail sales increasing by 7.3% in the first half, broadly in line with the 7.4% growth recorded in the same period last year.

Inflationary pressures eased somewhat during June as CPI declined by 0.4% month-on-month, mainly due to lower fuel prices. Nevertheless, average CPI for the first six months of the year was still 4.4% higher year-on-year. The USD/VND exchange rate remained broadly stable both during June and year-to-date.

Foreign direct investment (FDI) continued to be a bright spot for the economy. Total registered FDI reached USD 34.7 billion, up 61% year-on-year, while disbursed FDI amounted to approximately USD 13 billion, representing 11.2% growth year-on-year and the highest first-half disbursement level recorded in many years.

In the banking sector, system-wide credit growth reached 7.4% year-to-date, significantly outpacing deposit growth of 5.0%. The widening gap between credit expansion and deposit mobilization continued to place upward pressure on interest rates. Deposit rates for 6–12 month tenors currently range between 7–8% per annum, and can reach 8–9% per annum depending on the bank and customer segment.

During May and June 2026, the Government and the State Bank of Vietnam introduced a series of policy measures aimed at supporting economic growth by ensuring adequate funding for priority sectors and strategic infrastructure projects. Key measures include exempting certain loans to strategic infrastructure projects, social housing, and industrial parks from credit growth limits; increasing the ratio of short-term funding permitted for medium- and long-term lending from 30% to 40%; and enhancing flexibility in the use of State Treasury deposits to support banking system liquidity. These measures are expected to alleviate funding pressures, improve liquidity conditions, and support credit growth in the near term.

We remain constructive on the long-term outlook for the Vietnamese equity market. Current valuation levels remain attractive and, in our view, already reflect most of the impact from the recent increase in interest rates. Looking ahead, market performance should be supported by continued earnings growth among listed companies, government initiatives aimed at sustaining economic growth, and ongoing capital market reforms designed to attract both domestic and international investment flows.

VinaCapital Discovery Equity Fund (VINACAPITAL-VDEF)

VinaCapital

As of 30 June 2026

Portfolio Statistics

	VINACAPITAL-VDEF	VN-Index
2026 P/E (x)	9.6	13.2
2026 P/B (x)	1.6	1.8
2026 ROE (%)	16.5	16.2
2026 Dividend yield (%)	2.7	1.9
Portfolio turnover (Since inception) (%)	157.1	-
Sharpe ratio (Since inception)	0.4	0.9
Beta (Since inception)	0.7	1.0
No. of stocks	27	403

(Source: VinaCapital's forecast)

Fund Information

Total AUM (VND billion)	392.7
NAV/Share (VND)	12,112.4
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

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Monthly Commentary (continued)

Fund Update and Investment Outlook

VINACAPITAL-VDEF's net asset value per unit declined 1.2% in June 2026. Year-to-date, NAV per unit is up 2.7%.

During the month, the Fund increased its position in PVI. PVI was previously one of the Fund's core holdings; late last year we took profit as the share price rose above our target price. Following the recent correction, the stock's valuation has returned to an attractive level relative to its earnings base and long-term outlook, prompting us to rebuild the position in June.

PVI continued to demonstrate a solid business foundation in 1Q26, with revenue and profit before tax growing 13% and 69% y/y, respectively. Insurance profit reached approximately VND425bn (248% of the quarterly plan), while investment income contributed around VND280bn (184% of plan). The insurance result was affected by PVI's change in technical reserve methodology from a monthly to a daily basis; excluding this one-off technical factor, insurance profit is estimated at around VND237bn, equivalent to 153% of the quarterly plan and up 36.4% y/y. Underwriting quality remained strong, with a combined ratio below 92% — better than the full-year target of 93% — and claim ratios at both PVI Insurance and Hanoi Re below 40%, well ahead of the market average, although 1Q is typically a seasonally favourable period when premiums are booked early while claims remain low.

On the investment side, PVI maintains roughly 74–75% of its portfolio in deposits, mainly with 12–24 month tenors, above the 65–70% required to ensure liquidity, in order to capture still-attractive deposit yields. In international reinsurance, PVI pursues a prudent strategy: it continues to expand top-line while keeping retention very low — typically below 1%, and even below 0.1% for high-risk contracts — thereby earning arrangement fees without adding balance sheet risk while it continues to build data and risk assessment capabilities. Hanoi Re is expected to again exceed its 2026 targets, and PVI Holdings is seeking a strategic investor for Hanoi Re to support international revenue expansion and accelerate the path towards a rating of at least A-. Additional capital needs at PVI Insurance will be met in part by retaining 10% of this year's dividend in the form of a stock dividend.

Over the longer term, we value PVI's competitive advantage stemming from its number one position in Vietnam's non-life insurance market, anchored by commercial, property and project insurance (energy, oil and gas, construction, industrial assets). This is the most profitable segment in the industry and stands in clear contrast to the rest of the market, where motor and health insurance have become commoditised, competing largely on price and commissions, with high claim ratios and thin underwriting margins. Barriers to entry in this segment are substantial: AM Best's A- financial strength rating is, in practice, a prerequisite for many large-scale FDI, infrastructure and energy projects — a threshold very few domestic insurers can meet. PVI also benefits from deep relationships with international reinsurers, enabling it to arrange large-value contracts on competitive terms, alongside actuarial pricing, engineering risk assessment and complex claims management capabilities built up over nearly 30 years. It is this underwriting capacity — rather than distribution reach — that constitutes PVI's core advantage, and one that new entrants, including bank-backed insurers, would find difficult to replicate quickly. Competitive pressure from this group is real on the distribution front, but the market remains significantly underpenetrated and PVI continues to maintain partnerships with a range of banks.

Looking ahead, we believe that the current valuation levels of many portfolio companies remain attractive relative to their medium and long term growth prospects. Against a backdrop of continued economic expansion and ongoing policy support for investment and credit growth, the fund will remain focused on companies with strong fundamentals, sustainable competitive advantages, and the ability to deliver consistent earnings growth over the years ahead.

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%	-0.3%	-2.1%	-1.2%							2.7%