VinaCapital Discovery Equity Fund (VINACAPITAL-VDEF)

As of 31 October 2026

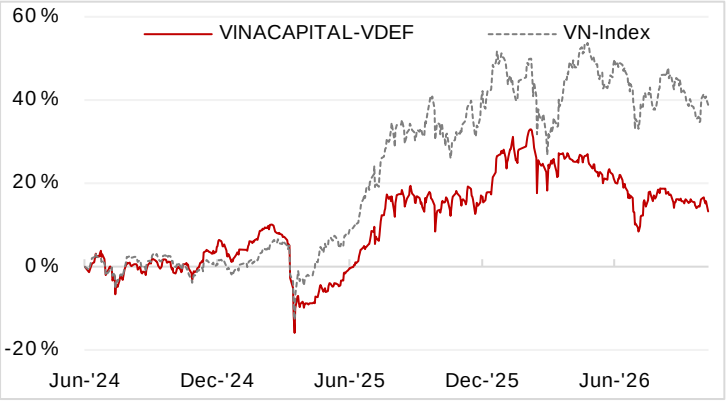
The Fund focuses on identifying investment opportunities in under-researched and overlooked companies that are trading at attractive valuations. The Fund adopts a high-conviction, actively managed investment strategy, with a preference for small- and mid-capitalization companies that possess scalable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

Performance Summary

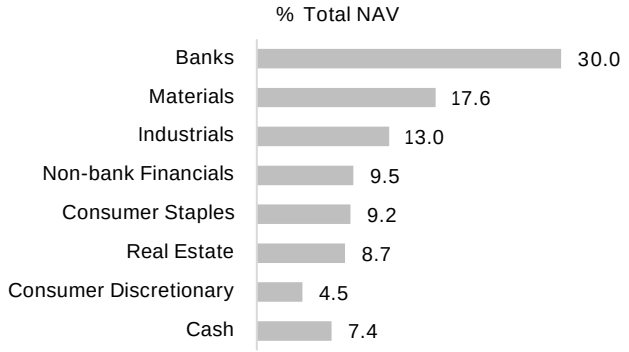
	VINACAPITAL-VDEF	VN-Index
Oct 2026 return (%)	(2.5)	(1.5)
YTD 2026 return (%)	(3.9)	(2.4)
3-year annualized return (% p.a.)	-	-
5-year annualized return (% p.a.)	-	-
Annualized return since inception (% p.a.)	5.4	15.0
Cumulative return since inception (%)	13.3	38.9

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	6.6
MBB	Banks	6.2
VCB	Banks	5.1
DPR	Materials	5.0
HPG	Materials	4.9
HDB	Banks	4.9
STB	Banks	4.9
PVI	Non-bank Financials	4.8
BVH	Non-bank Financials	4.7
CTG	Banks	4.7
TOTAL		51.9

Monthly Commentary

Stock Market Update

The VN-Index fell 1.5 % in October to close at 1,741.6 points. The index was volatile during the month, briefly dropping below 1,700 before recovering after the Government firmly directed banks to lower interest rates. Year-to-date, the VN-Index is down 2.4 %; excluding Vingroup-related stocks, the market has declined 11.4 %.

Liquidity weakened further in October, with average daily trading value falling 5 % month-on-month to around USD606 million. Foreign investors were net sellers of USD931 million, roughly five times the September figure, bringing year-to-date net outflows to USD4.7 billion. That said, around 59 % of October's net selling came through block trades, with MCH alone accounting for USD372 million.

Third-quarter earnings remained solid, with aggregate net profit of HOSE-listed companies rising 51.5 % year-on-year and 48.4 % over the first nine months. However, the Vingroup group accounted for nearly 60 % of this growth, driven largely by sizeable gains from bulk sales of real estate projects. While most sectors continued to grow, earnings momentum slowed in some sectors compared with Q2. Banks posted profit growth of 19.5 % year-on-year but fell 5.1 % quarter-on-quarter, while securities companies saw profits drop 50.3 % year-on-year and 25.0 % quarter-on-quarter.

Meanwhile, October macro data point to strong growth in Q4. Industrial production rose 15.0 % year-on-year (10M: +12.4 %), and retail sales of goods and services increased 14.7 % (10M: +13.5 %, or +7.7 % in real terms). Public investment disbursement reached VND783.9 trillion in the first ten months, equivalent to 69 % of the full-year plan and up 19.8 % year-on-year. Registered FDI rose 74 % to USD54.9 billion, while disbursed FDI grew 13.1 % to USD24.1 billion. Notably, after running a trade deficit for the first eight months, Vietnam has recorded a surplus for two consecutive months, including USD7.3 billion in October.

For 2027, the National Assembly has again set a GDP growth target of 10 % or higher. It also approved state budget expenditure of VND4.07 quadrillion, 29.0 % above the estimated 2026 outturn. The Assembly has further called for full disbursement of the 2026 public investment plan, underscoring public investment as one of the key drivers of economic growth.

Since the start of the year, the domestic and global macro backdrop has been challenging for equities. Interest rates rose both at home and abroad, conflict in the Gulf pushed oil prices to USD110–120 per barrel at times, and domestic CPI rose 5.1 % year-on-year in October. However, we see these pressures now easing. Following the US midterm elections, the 10-year US Treasury yield has fallen from a high of 5.3 % last month to around 4.9 %, and oil prices have retreated below USD100 per barrel. Domestically, many banks have cut interest rates by around 50 basis points in line with Government guidance, with lending rates for certain priority sectors reduced by up to 150–200 basis points. To contain inflation, average retail electricity prices were lowered by 2 % from 1 November. In addition, the special consumption tax on gasoline has been cut to 0 % from November 2026 through March 2027. The VND has appreciated around 2.5 % against the USD year-to-date, and oil prices and US Treasury yields are both easing. Against this backdrop, we believe the State Bank of Vietnam will have more room to pursue a more flexible monetary policy, which should provide support for the stock market going forward.

Classified: Public

VinaCapital Discovery Equity Fund (VINACAPITAL-VDEF)

As of 31 October 2026

Portfolio Statistics

	VINACAPITAL-VDEF	VN-Index
2026 P/E (x)	8.0	11.9
2026 P/B (x)	1.4	1.9
2026 ROE (%)	17.0	16.1
2026 Dividend yield (%)	3.7	1.9
Portfolio turnover (Since inception) (%)	157.1	-
Sharpe ratio (Since inception)	0.1	0.6
Beta (Since inception)	0.7	1.0
No. of stocks	24	407

(Source: VinaCapital's forecast)

Fund Information

Total AUM (VND billion)	383.6
NAV/Share (VND)	11,328.1
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

Tel: +84 28 38 27 85 35

Monthly Commentary (continued)

Fund Update and Investment Outlook

VINACAPITAL-VDEF's NAV per unit declined 2.5% in October. There were no significant changes to the portfolio during the month.

Across the rest of the portfolio, the third-quarter earnings season further reinforced our investment thesis, with most core holdings delivering solid earnings growth.

In banking, the portfolio's largest sector exposure, MBB reported Q3 net profit of VND8.0 trillion, up 44% year-on-year, bringing 9M net profit to VND23.8 trillion, up 32%. Growth was driven mainly by 19% year-to-date credit expansion, while net interest margin (NIM) held at around 4.1% despite rising funding costs. CTG posted Q3 net profit of VND10.8 trillion, up 28%, with 9M net profit reaching VND31.5 trillion, up 34%. The result was supported by a 27% increase in net interest income as NIM improved for a fifth consecutive quarter to 3.03%. Fee income rose 57% and operating expenses were well contained. The NPL coverage ratio was also raised to 160%, giving the bank a stronger buffer against potential credit risks.

In consumer retail, MWG's Q3 net profit reached VND3.1 trillion, up 75%, and 9M net profit came in at VND9.1 trillion, up 84%. Dien May Xanh remained the key driver, with net profit of VND2.8 trillion, up 105%, on a gross margin expansion of more than 4 percentage points. Bach Hoa Xanh's net profit rose 120% to VND555 billion as revenue grew 49%, supported by the expansion of its network to more than 3,900 stores. FRT reported Q3 net profit of VND440 billion, up 101%, and 9M net profit of VND1,069 billion, up 112%. Long Chau continued to lead growth: its pharmacy count rose 18% to 2,741 stores and average revenue per store increased 13%, lifting the chain's Q3 net profit by 118% to VND372 billion. FPT Shop recorded a fifth consecutive profitable quarter, with net profit up 41% to VND68 billion on a 28% increase in revenue per store.

In construction materials, HPG delivered Q3 net profit of VND8.2 trillion, up 106%, and 9M net profit of VND23.6 trillion, up 103%. Steel sales volume rose 48%. The company's domestic HRC market share increased to 42.5%, supported by anti-dumping measures on HRC imports from China, while export volume nearly tripled. Profit per tonne reached a four-year high on effective inventory and raw material cost management, and construction steel demand benefited from the pace of public investment disbursement.

Overall, our core holdings delivered strong results, and we expect this growth momentum to be sustained in the coming quarters. As noted above, the macro pressures weighing on the stock market are gradually easing. Against this backdrop, the portfolio's attractive valuation, at a 2026 P/E of only around 8.1x, together with the positive earnings outlook of our investee companies, provides a solid foundation for favourable fund performance going forward.

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%	-7.3%	5.8%	-2.2%	-2.5%			-3.9%

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