VIETNAM ENTERPRISE INVESTMENTS LIMITED (VEIL)

DRAGON CAPITAL

March 2026

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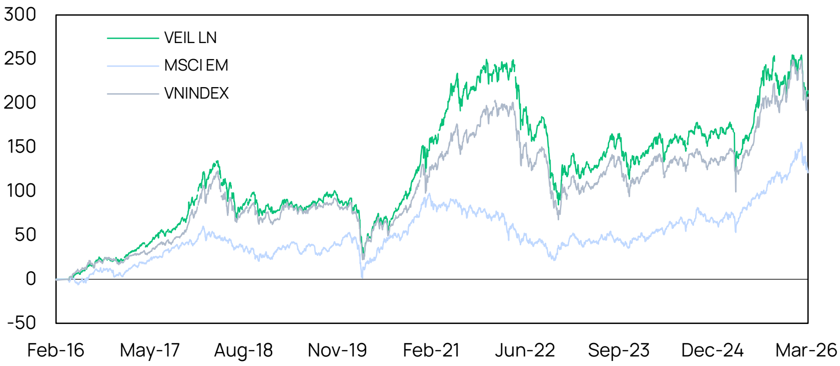
Lead Portfolio Manager

At a Glance

- VEIL's NAV fell 11.4% in March amid the escalation of the Iran conflict, narrowly ahead of the VNI's 11.9% decline.
- Fertiliser producers gained on strong earnings and pricing momentum, partially offsetting a broad market sell-off led by banks and VIC amid heightened geopolitical risk aversion.
- We increased exposure to domestic consumption and maintained cash to deploy into market dislocations.

Ten Year NAV Performance



Performance (%)

All reporting on this page is in total return US dollar terms to the last business day in Vietnam unless otherwise stated

	Net Assets / Market Cap	NAV/share	Disc/Prem	YTD	1 Month	3 Months	1 Year**	3 Years	5 Years	10 Years
VEIL NAV (USD)	$1,574.4mn	$11.32	N/A	-6.5	-11.4	-6.5	17.2	36.7	21.3	213.6
VNI (Reference Index)	-	-	N/A	-6.2	-11.9	-6.2	25.6	47.5	33.3	206.6
VEIL Share Price (GBP)	£1,012.5mn*	£7.28	-15.15	-8.4	-11.8	-8.4	24.0	26.6	21.7	253.5
VEIL Share Price (USD)	$1,399.2mn*	$10.06	-11.13	-3.6	-7.7	-3.6	-	-	-	-

*Market capitalisation

Past performance cannot be relied upon as a guide to future performance
***1 Year data reported from 28 March 2025 due to national holidays in Singapore*

Fund Commentary

The March sell-off was largely driven by the escalation of the Iran conflict and the threat to oil supply, which raised concerns for energy-dependent Asian economies, including Vietnam. Risk appetite deteriorated sharply, as foreign investors accelerated net outflows. The correction was broad-based and indiscriminate, with large-cap names bearing the brunt as investors reduced exposure to liquid heavyweights. VEIL's slight outperformance reflected its defensive positioning, a higher cash buffer, underweight constituents that fell heavily, and positive stock selection in residential property and chemicals. Notably, VEIL's underweight position in VIC was the single largest alpha driver, generating approximately +35bps as the stock declined ~22.3%. The fund has been taking profit in VIC and VHM during the quarter, further enhancing positioning.

Chemicals was a key contributing sector. Fertiliser producers DCM (+11.3%) and DPM (+7.0%) benefited from improving prices and strong earnings delivery, supported by tightening regional supply. Within residential property, TCH (+13.2%) and TAL (+4.4%) were among the few gainers, although the broader sector detracted as declines in VHM (−5.7%) and DPG (−11.6%) offset those gains. We added to steel producer HPG and increased positions in retailers MWG, PNJ and FRT, reflecting our sustained conviction in domestic investment and resilient consumption.

Banks, at 36% of the portfolio, were the largest detractor (−3.8%), led by BID (−18.6%), TCB (−16.2%) and VCB (−11.4%), reflecting geopolitical risk aversion rather than any deterioration in credit quality. We maintain an elevated net cash position of 5.1% to deploy capital should market dislocations create opportunities. The portfolio trades on approximately 10x FY26 P/E against forecast EPS growth of 27.3%. While the near-term outlook is clouded by geopolitical uncertainty, we believe Vietnam's structural growth drivers remain firmly intact.

Stocks in Focus: Ca Mau Fertilizer (DCM) & Phu My Fertilizers (DPM)

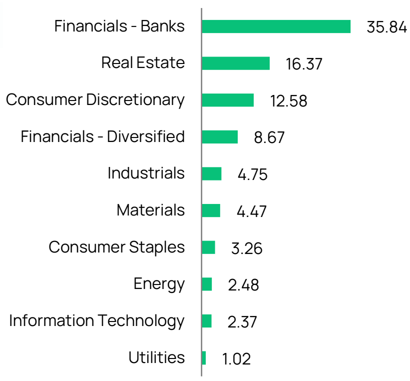
DCM and DPM are Vietnam's two largest urea producers, with market caps of $910mn and $760mn, respectively. DCM operates a fully depreciated 800,000-tonne plant in Ca Mau with a debt-free balance sheet, while DPM runs a 740,000-tonne Phu My facility alongside growing NPK and chemical lines. Both are primary beneficiaries of the global urea supply shock triggered by the Strait of Hormuz disruption and China's tightened export restrictions, which have driven Middle East urea prices up 84% YTD to $750/mt. DCM's recent consolidation of Korea-Vietnam Fertiliser (KVF) has doubled its NPK capacity, while DPM is investing in downstream chemical products diversification.

We hold both names, but with a preference for DCM, given its higher export exposure (~40–50% of volume) and aggressive domestic pricing, up 43% YTD versus DPM's more measured +10%. We estimate DCM's 1Q26 PBT at ~$32mn (+109% YoY), its strongest quarter in over three years, with full-year 2026 NPAT forecast at $132mn (+84% YoY). DPM's 2026 NPAT is forecast at $105mn (+160% YoY), though domestic pass-through has lagged. Even with correction, we believe global urea is unlikely to return to pre-disruption pricing levels. DCM trades at 6.9x 2026F P/E with room to re-rate, while DPM at 7.3x P/E is fair relative to peak-cycle valuations.

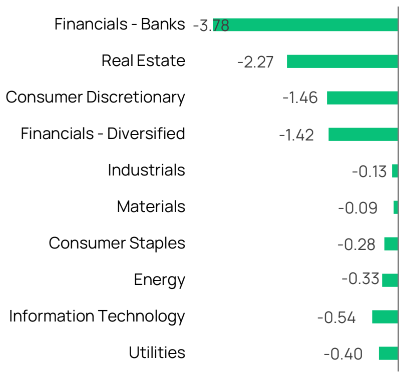
Top Ten Holdings (47.5% of AUM)

Company	Ticker	Sector	VEIL (%)	VNI (%)	MoM (%)
Mobile World	MWG	Consumer Disc.	8.3	1.5	-13.1
BIDV	BID	Financials (Banks)	7.3	3.5	-18.6
VP Bank	VPB	Financials (Banks)	4.6	2.7	-8.8
Vietinbank	CTG	Financials (Banks)	4.5	3.4	-10.5
Vingroup	VIC	Real Estate	4.5	13.2	-22.4
Vinhomes	VHM	Real Estate	4.2	5.4	-5.7
Techcombank	TCB	Financials (Banks)	3.8	2.8	-16.2
Vietcombank	VCB	Financials (Banks)	3.6	6.2	-11.4
Hoa Phat Group	HPG	Materials	3.6	2.6	-7.6
MB Bank	MBB	Financials (Banks)	3.1	2.7	-8.2

Sector Breakdown (%)



Monthly Contribution (%)



Key Indicators

Item	Unit	2021	2022	2023	2024	2025E	2026F
GDP	$bn	366.1	408.8	430.0	476.3	514.0	561.8
Real GDP Growth	%	2.6	8.0	5.1	7.1	8.0	9.3
Services Growth	%	1.2	10	6.9	7.4	8.6	9.5
Agriculture Growth	%	2.9	3.4	2.6	3.3	3.8	4.0
Ind'l and Const'n Growth	%	4.1	7.8	3.5	8.3	9.0	10.5
Retail Sales Growth	%	-3.8	10.2	8.3	9.0	9.2	10.0
Prices							
CPI (Average YoY)	%	1.8	3.2	3.3	3.6	3.3	4.0
Money, FX and Interest Rates							
Money Supply M2	%	8.9	6.2	12.5	12.7	15.0	12.5
Average 12M Deposit Rate	%	6.0	8.0	5.0	5.0	5.8	6.3
5-yr VGB	%	0.9	4.7	1.6	1.4	3.3	3.5
VND:$	$1	22,800	23,550	24,250	25,450	26,300	27,310
External Sector							
Trade Balance	$bn	3.3	12.4	28.0	24.4	20.0	25.0
Current Account	$bn	-8.1	1.4	25.8	30.5	34.5	40.0
Current Account / GDP	%	-2.2	0.3	6.0	6.4	6.7	7.1
FDI Registered	$bn	38.5	27.7	36.6	35.0	38.4	41.9
FDI Disbursement	$bn	19.8	22.4	23.2	25.4	27.6	30.1
FX Reserves	$bn	106.5	85.0	89.0	80.0	78.0	80.0
Public Debt, Fiscal Balance							
External Debt	$bn	138.8	141.2	138	140.3	151.0	168.54
Government	$bn	47.9	48.8	44.4	44.5	47.8	50.0
Enterprises (incl. FDI)	$bn	90.9	92.4	93.6	95.8	103.2	118.54
External Debt (% GDP)	%	37.9	34.5	30.3	30.3	29.4	30.0
Fiscal Balance (% GDP)	%	-4.0	-4.0	-3.6	-3.6	-4.2	-4.0

All forecasts are Dragon Capital estimates

Key Stock Market Data

	HSX		HNX		UPCoM		Total	
	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26
Market cap ($mn)	213,555	299,296	14,725	16,984	57,969	51,832	286,249	368,112
Number of stocks	392	403	310	302	887	839	1,589	1,544
Number of large cap stocks (> $400mn)	77	87	11	11	17	21	105	119
Stocks with no room for foreigners	62	63	97	107	276	317	435	487
Market cap of stocks with no room ($mn)	23,891	22,433	3,009	2,827	22,750	23,760	49,650	49,020
Share of Market Cap with No Room (%)	11.2	7.5	20.4	16.6	39.2	45.8	17.3	13.3

Top 25 Companies by Market Cap

No	Company	31-Mar Price (VND)	Price YTD (%)	Mkt Cap ($m)	Wt in VNI (%)	PER 2024 (x)	PER 2025 (x)	PER 2026E (x)	PBV 2024 (x)	PBV 2025 (x)	PBV 2026E (x)	Yield 2024 (%)	Yield 2025 (%)	Yield 2026E (%)
1	Vingroup	135,000	-20.4	39,490	13.20	13.0	115.1	88.1	1.1	8.9	6.4	0.4	0.2	-
2	Vietcombank	58,100	1.0	18,428	6.20	17.2	15.7	13.8	2.6	2.1	1.8	-	0.8	-
3	Vinhomes	103,000	-16.9	16,059	5.40	5.2	12.2	8.6	0.8	2.1	1.4	0.4	0.2	-
4	BIDV	39,400	1.3	10,888	3.50	13.3	11.9	11.5	1.8	1.6	1.5	-	1.2	-
5	Viettel Global Investment	89,900	27.0	10,387	-	49.1	23.2	24.9	8.0	5.3	-	0.4	1.9	-
6	Vietinbank	34,600	-3.2	10,201	3.40	8.8	8.9	7.4	1.4	1.6	1.3	-	0.9	-
7	Techcombank	30,700	-12.0	8,258	2.80	8.1	10.1	7.8	1.2	1.5	1.2	3.0	2.9	2.7
8	MB Bank	26,450	4.5	8,087	2.70	6.0	7.8	7.0	1.2	1.5	1.3	2.1	1.0	-
9	VP Bank	26,700	-6.8	8,041	2.70	9.4	9.5	7.1	1.0	1.4	1.1	5.2	1.8	4.3
10	Hoa Phat Group	26,900	1.9	7,838	2.60	14.2	13.1	8.9	1.5	1.6	1.4	-	-	1.8
11	PV Gas	78,300	8.1	7,172	2.40	15.2	15.7	13.0	2.6	2.6	2.6	8.7	2.9	4.6
12	Masan Consumer	144,000	-19.5	7,076	2.40	23.0	34.8	25.3	16.7	12.8	10.1	12.4	1.2	2.6
13	Airports Corporation VN	45,300	-7.4	6,160	-	29.1	18.0	20.4	4.6	2.5	2.1	-	-	-
14	Vinpearl	83,400	-11.5	5,677	1.90	-	153.4	54.6	-	4.6	3.8	-	-	-
15	Binh Son Refining	27,650	71.7	5,256	1.80	112.0	15.5	5.1	1.3	1.3	1.6	3.1	-	1.7
16	HD Bank	25,450	-14.3	4,835	1.60	7.0	9.0	6.4	1.6	2.0	1.1	3.3	-	-
17	FPT Corporation	74,700	-22.0	4,830	1.60	30.7	18.5	12.3	7.4	4.5	2.9	1.5	2.8	3.5
18	Vinamilk	60,500	-1.1	4,800	1.60	14.5	15.2	15.0	3.8	4.2	4.2	6.2	8.8	7.2
19	LienViet Post Bank	41,900	0.2	4,751	1.60	8.9	10.9	9.7	2.0	2.6	2.1	-	6.0	-
20	Asia Commercial Bank	23,550	-1.9	4,592	1.50	6.7	8.0	6.6	1.3	1.3	1.1	3.4	3.6	1.5
21	Mobile World	81,800	-7.5	4,560	1.50	23.6	18.6	13.1	3.2	4.0	3.0	0.8	1.1	1.2
22	Techcom Securities	51,200	8.9	4,493	1.50	23.8	19.1	17.8	3.5	2.5	2.4	1.3	-	-
23	Sacombank	62,200	7.2	4,451	1.50	6.9	18.4	18.2	1.3	1.8	1.8	-	-	-
24	Masan Group	75,500	-1.9	4,144	1.40	50.4	27.1	15.1	3.3	3.1	2.6	1.7	0.8	0.8
25	Vietjet Air	156,000	-25.4	3,503	1.20	38.6	53.3	295.3	3.2	4.6	4.5	0.1	-	-

All forecasts are Dragon Capital estimates

FUND INFORMATION

DRAGON CAPITAL

March 2026

Fund	Bloomberg	ISIN	LEI	SEDOL	CUSIP	Listed
VEIL	VEIL LN (GBP)	KYG9361H1092	213800SYT3T4AGEVW864	BD9X204	G9361H109	London (Main Market)
VEIL	VEID LN (USD)	KYG9361H1092	213800SYT3T4AGEVW864	BP4YTQ1	G9361H109	London (Main Market)

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