



Tuan Le
Lead Portfolio Manager

At a Glance

- VEIL's NAV rose 7.5% in August against the VN-Index's 6.6%, led by banks, retail and residential developers, which outweighed our underweight in VIC.
- PNJ rose 37.0% after police findings cleared the company itself and we stopped selling; DMX, bought in its August IPO, ended at 1.8% of NAV.
- FTSE's first inclusion tranche lands on 21 September with Vietnam's weight raised to 0.49%; the portfolio trades at 10.2x FY26 P/E on 29.5% EPS growth.

Performance (%)

	Net Assets / Market Cap	NAV/share	Disc/Prem	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
VEIL NAV (USD)	\$1,410.8mn	\$11.48	N/A	-5.2	7.5	-2.5	-6.8	22.5	2.3	155.1
VNI (Reference Index)	-	N/A	N/A	5.1	6.6	0.2	12.4	46.2	31.3	181.9
VEIL Share Price (GBP)	£909.4mn*	£7.40	-12.53	-6.9	5.3	-4.5	-0.4	22.3	6.8	159.99

*Market capitalisation

Past performance cannot be relied upon as a guide to future performance

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

Fund Commentary

VEIL's NAV rose 7.5% in August, ahead of the VN-Index's 6.6%, taking the year-to-date return to -5.2% against the index's +5.1%. All sectors rose positively in August. Foreign net selling across all three exchanges shrank to \$52mn from a year-to-date monthly average of about \$500mn, the Dong held firm and FTSE Russell lifted Vietnam's weight in its Emerging All Cap index to 0.49% from 0.33%. VIC (+11.1%) supplied more than a third of the VN-Index gain.

Banks, Retail and Residential were the largest contributor in the month. TCB (+16.3%), VPB and MBB led the banks as overnight rates fell below 2%. Our mid-cap developers rose while VHM was flat; we took profit in VHM after this year's run, reducing our largest property holding by 1.7 points of NAV. PNJ rose 37.0% after the Thanh Hoa police found that two former subsidiary employees acted alone and PNJ's imports were fully compliant; we have stopped selling. We bought DMX in its IPO; the position ended August at 1.8% of NAV. Holding half the index weight in VIC cost 0.47 points; we regard the shares as expensive and accept the near-term cost.

The first FTSE tranche on 21 September brings an estimated \$220mn of passive demand, the first of roughly \$2bn over the phasing to September 2027, and with foreign selling already fading we expect the flows to broaden beyond the heavyweights. The economy is delivering positively. Industrial production grew 14.4% YoY and public investment reached 50.5% of plan while realised FDI of \$17.3bn is running 12% ahead of last year. Top-100 earnings grew 34.8% YoY in the first half against our full-year forecast of 20.9%, so the forecast can be achieved with much slower second-half growth. Inflation near 5% and deposit rates staying high would limit monetary policies, so support will come through execution and reform, including the amended Land Law and Securities Law due in October. The portfolio, at 10.2x FY26 PER on 29.5% EPS growth, is already priced for that.

Stock in Focus: VPBank (VPB)

VPBank (VPB) is one of Vietnam's largest private-sector banks and, with VCB and BID, one of only three Vietnamese banks qualifying for the FTSE All-World and FTSE Emerging large and mid-cap indices from 21 September. Second-quarter results showed the bank can fund rapid growth in a tight market. Customer loans grew 23.0% YTD on 16.7% growth in customer deposits, against median peer loan growth of 8.6%, and pre-tax profit reached a record \$417mn in 2Q (+76.3% YoY) despite higher funding costs. Asset quality improved too with the consolidated NPL ratio declining 30bps QoQ to 3.28% and coverage rising to 56.2%. Two catalysts follow. FTSE inclusion implies an estimated \$9.7mn of passive demand in the first tranche and \$96.8mn cumulatively. A second catalyst is VPB's planned private placement of 624.4mn shares to one foreign institution, following its 26.04% bonus issuance. The sale is due in the second half. The new shares represent 5.9% of post-deal capital and would lift charter capital to about \$4.0bn. We forecast 2026 NPATMI of \$1.15bn (+25.5% YoY), which puts the shares on 7.2x 2026E P/E and about 1.1x 2026E P/B for an ROE recovering to about 16.7%, and our sum-of-the-parts value implies roughly 45% upside. The risk is that rapid credit growth produces fresh NPLs while funding costs stay high, holding ROE below the level a premium multiple requires.

Top Ten Holdings (55.5% of AUM)

Company	Ticker	Sector	VEIL (%)	VNI (%)	MoM (%)
Vingroup	VIC	Real Estate	11.2	20.7	11.1
Mobile World	MWG	Consumer Disc.	7.0	1.3	8.2
BIDV	BID	Financials (Banks)	6.6	3.2	4.5
Vietcombank	VCB	Financials (Banks)	6.3	5.7	2.2
VP Bank	VPB	Financials (Banks)	4.8	2.5	13.0
Vinhomes	VHM	Real Estate	4.5	6.8	-0.6
Techcombank	TCB	Financials (Banks)	4.1	2.7	16.3
Vietinbank	CTG	Financials (Banks)	3.8	2.8	4.6
Hoa Phat Group	HPG	Materials	3.7	2.1	2.7
Asia Com. Bank	ACB	Financials (Banks)	3.5	1.5	4.3

Sector Breakdown (%)

Financials - Banks	36.35
Real Estate	19.30
Consumer Discretionary	10.24
Financials - Diversified	7.26
Materials	3.42
Industrials	3.11
Consumer Staples	2.75
Energy	2.61
Information Technology	2.33
Utilities	1.45

Monthly Contribution (%)

Financials - Banks	2.61
Real Estate	1.52
Consumer Discretionary	1.07
Financials - Diversified	0.48
Materials	0.10
Industrials	0.20
Consumer Staples	0.13
Energy	0.29
Information Technology	0.23
Utilities	0.13

Key Indicators

Item	Unit	2021	2022	2023	2024	2025E	2026F
GDP	\$bn	366.1	408.8	430	476.3	514	561.8
Real GDP Growth	%	2.6	8	5.1	7.1	8	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
Ind'l and Const'n Growth	%	4.1	7.8	3.5	8.3	9	10.5
Retail Sales Growth	%	-9.1	21.5	10.4	9.3	9.9	14
Prices							
CPI (Average YoY)	%	1.8	3.2	3.3	3.6	3.3	4.6
Money, FX and Interest Rates							
Money Supply M2	%	8.9	6.2	12.5	12.7	15	11
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	22,920	23,730	24,420	25,551	26,227	26,150
External Sector							
Trade Balance	\$bn	3.3	12.1	28.4	24.9	20.1	-13
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	38.9	29.3	39.4	38.2	38.4	55
FDI Disbursement	\$bn	19.8	22.4	23.2	25.4	27.6	31
FX Reserves	\$bn	107.4	84.7	90.4	81.2	83.6	90
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-Aug-25	31-Aug-26	31-Aug-25	31-Aug-26	31-Aug-25	31-Aug-26	31-Aug-25	31-Aug-26
Market cap (\$m)	276,568	338,990	15,861	18,367	55,786	51,515	348,215	408,872
Number of stocks	391	405	303	299	889	818	1,583	1,522
Number of large cap stocks (> \$400m)	86	86	11	11	20	18	117	115
Stocks with no room for foreigners	61	55	101	132	290	438	452	625
Market cap of stocks with no room (\$m)	28,223	7,595	2,584	3,304	20,907	25,536	51,714	36,434
Share of Market Cap with No Room (%)	10.2	2.2	16.3	18.0	37.5	49.6	14.9	8.9

Top 25 Companies by Market Cap

No	Company	31-Aug Price (VND)	Price YTD (%)	Mkt Cap (\$m)	Wt in VNI (%)	PER			PBV			Yield		
						2024 (x)	2025 (x)	2026E (x)	2024 (x)	2025 (x)	2026E (x)	2024 (%)	2025 (%)	2026E (%)
1	VinGroup	236,000	39.2	70,233	20.70	13.0	115.2	57.5	1.1	8.9	10.2	0.4	0.2	-
2	Vinhomes	73,000	22.3	22,991	6.80	5.0	11.7	10.0	0.8	2.1	2.0	0.4	0.2	-
3	Vietcombank	60,100	5.4	19,253	5.70	17.0	15.6	14.2	2.6	2.1	1.9	-	0.8	-
4	BIDV	36,850	2.4	10,989	3.20	13.1	11.8	11.4	1.8	1.6	1.5	0.0	1.2	-
5	Viettel Global Investment	88,300	24.7	10,304	-	49.1	23.2	24.4	8.0	5.3	-	0.4	1.9	-
6	VietinBank	31,950	-9.3	9,514	2.80	8.7	8.8	6.9	1.3	1.5	1.2	-	0.9	-
7	Techcombank	33,400	-2.3	9,074	2.70	8.1	10.1	8.5	1.2	1.5	1.3	3.0	2.9	2.4
8	VPBank	27,800	-1.2	8,456	2.50	9.2	9.3	7.3	1.0	1.3	1.1	5.2	1.8	4.2
9	MBBank	21,050	4.5	8,126	2.40	5.8	7.5	6.4	1.1	1.4	1.2	2.1	1.0	-
10	PetroVietnam Gas	84,200	16.3	7,789	2.30	15.2	15.7	14.2	2.6	2.6	2.8	8.7	2.9	4.3
11	Masan Consumer	143,000	-18.8	7,168	2.10	22.6	34.3	24.9	16.5	12.7	8.3	12.4	1.2	1.8
12	Hoa Phat Group	22,100	-6.2	7,154	2.10	13.9	12.9	6.8	1.5	1.5	1.2	-	0.0	2.1
13	Airports of Vietnam	42,300	-13.5	5,810	-	29.1	18.0	19.1	4.6	2.5	1.9	-	0.0	-
14	LienViet Post Bank	49,950	26.5	5,721	1.70	8.5	10.3	11.5	1.9	2.5	2.5	-	6.0	-
15	Sacombank	75,500	30.2	5,457	1.60	6.9	18.4	22.2	1.3	1.8	2.2	-	-	-
16	Vinpearl	77,600	-17.6	5,335	1.60	-	153.4	32.5	-	4.6	3.4	-	-	-
17	HDBank	27,800	-6.4	5,335	1.60	7.0	9.0	6.4	1.6	2.0	1.4	3.3	-	-
18	Binh Son Refining and Petrochemical	26,600	67.1	5,107	1.50	110.8	15.3	5.1	1.3	1.3	1.6	3.1	-	1.6
19	Asia Commercial Bank	22,650	9.5	5,041	1.50	6.5	7.8	7.2	1.3	1.3	1.2	3.4	3.6	1.4
20	Vinamilk	62,300	5.1	4,992	1.50	14.1	14.7	13.2	3.7	4.0	4.1	6.2	8.8	7.0
21	FPT Corp	73,200	-22.5	4,811	1.40	30.3	18.2	12.5	7.3	4.4	3.0	1.5	2.8	4.3
22	Techcom Securities	40,800	5.2	4,340	1.30	23.8	18.9	17.1	3.5	2.4	2.3	1.3	-	-
23	Mobile World Investment	75,000	-13.8	4,244	1.30	23.3	18.3	10.5	3.1	4.0	2.7	0.8	1.1	1.3
24	Masan Group	70,200	-8.8	3,931	1.20	50.4	27.1	11.3	3.3	3.2	2.3	1.7	0.8	-
25	Vietjet Air	125,000	-22.3	3,686	1.10	38.6	53.3	307.6	3.2	4.6	4.7	0.1	-	-

All forecasts are Dragon Capital estimates

This document is a financial promotion. This document has been prepared and is distributed by Dragon Capital Management (HK) Limited ("Dragon Capital") for information purposes only. It does not constitute investment advice, a personal recommendation, legal, tax or accounting advice, nor an offer, invitation or solicitation to buy or sell any investment.

Potential investors should not rely solely on this document when making an investment decision. No part of the document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. Before investing, you should read the Prospectus and Key Information Document (KID), which contain detailed information about the fund, including its objectives, risks, charges and expenses.

If you wish to unsubscribe from future updates at any time, please email unsubscribe@dragoncapital.com.

Risk warning

The value of investments and any income from them may go down as well as up and investors may not get back the amount originally invested.

Past performance

Past performance is not a guarantee or a reliable indicator of future results.

Where performance or asset values are shown in a currency other than pound sterling, returns may increase or decrease as a result of currency exchange rate fluctuations.

Future performance

Any forecasts, estimates, targets or forward-looking statements are based on assumptions and are not guarantees of future performance. Actual results may differ materially from those expressed or implied.

For Swiss investors in VEF: This is an advertising document. The representative for Vietnam Equity (UCITS) Fund ("VEF") in Switzerland is Waystone Fund Services (Switzerland) SA, Av. Villamont 17, 1005 Lausanne, Switzerland, and the paying agent is Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich, Switzerland. The VEF prospectus, key information document (PRIIP-KID), the articles of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

For Belgian investors in VEF: This is an advertising document. This document is intended only for professional investors (A) that are "qualified investors" in the meaning of Article 2, (e) of the EU Regulation 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended from time to time or any successive legislation that may enter into force (each, a "Qualified Investor"), and (B) any such Qualified Investor shall act in its own name and for its own account and shall not act as intermediary, or otherwise sell or transfer, to any other investor, unless any such other investor would also qualify as a Qualified Investor.

For Italian investors in VEF: This is an advertising document (*materiale di marketing*). For professional investors only.

For UK investors in VEF: Vietnam Equity (UCITS) Fund is recognised in the UK under the Overseas Funds Regime but is not a UK-authorised fund. In the UK this marketing document has been issued by Dragon Capital Markets (Europe) Limited authorised and regulated in the UK by the Financial Conduct Authority (449901).

UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE FUTURE PERFORMANCE



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)

Price Providers	Funds	Bloomberg	Contact
Jefferies International	VEIL	JCEF	Michele White / Trevor Hunt +44 207 898 7127 invcos@jefferies.com

Marketing / Investor Relations	
Will Ross	willross@dragoncapital.com
Thuy Anh Nguyen	thuyanhnguyen@dragoncapital.com
Paul Southgate	paulsouthgate@dragoncapital.com
Sui Yang Phang	suiphang@dragoncapital.com
Kenji Hamada	kenjihamada@dragoncapital.com
Thanh Le	thanhle@dragoncapital.com
James Snee	jamesstnee@dragoncapital.com
Trang Pham	trangphamquynh@dragoncapital.com

This document has been prepared by Dragon Capital Management (HK) Limited for the general information of professional investors and other eligible recipients. It has been provided to you following your express request to receive such communications, and your confirmation of eligibility. If you wish to unsubscribe from future updates at any time, please email unsubscribe@dragoncapital.com.

This document does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire, securities of any entity, or any vehicle to be incorporated in connection with any possible transaction, or an inducement to enter into investment activity in any country, or in any other jurisdiction in which such offer, solicitation, inducement or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction. No part of the document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

No disclosure, reference or other information included in this document shall be considered as offering or solicitation of any product or service. Nothing in this document shall be construed as investment advice or a recommendation to acquire or invest in any securities or other instrument or financial product. Any investment performance and market information provided in this presentation, including information about any particular companies, are provided for illustrative purposes only and are not investment recommendations.

No person is promulgating or providing any financial or other advice to any person, and is not making and does not intend to make an offer or solicitation in relation to any product, whether referred to in this document or otherwise. Any person requiring investment advice should consult a suitably qualified professional adviser prior to taking any investment decision.

Past performance is not necessarily a guide to future performance. Certain statements included in this document are forward-looking and are therefore subject to risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied because they relate to future events. Consequently, the actual performance and results of the market or companies could differ materially from the expectations set out herein. Accordingly, no assurance can be given that any particular expectation will be met, and you are cautioned not to place undue reliance on forward-looking statements which speak only at their respective dates.

The information and opinions contained in this document (which includes information drawn from public sources) is subject to updating, and the accuracy, certainty or completeness of such information is not guaranteed. No representation or warranty, express or implied, is made, and no liability whatsoever is accepted by any other person, in relation thereto.

This document must not be distributed or otherwise made available to third parties without the consent of Dragon Capital, and then only to such recipients who have confirmed that distribution of such information is in compliance with the securities laws and regulations which apply to them.

For UK investors in VEIL: According to an analysis performed on behalf of VEIL by KPMG, VEIL does not meet the definition of an “offshore fund” for the purposes of the Offshore Fund Regulations in the UK. On the basis of this analysis, the Offshore Fund Regulations do not apply to VEIL, and therefore the reporting fund status regime is not relevant to VEIL or its UK investors. Please contact us if you require the full analysis from KPMG.