Forum One - VinaCapital Vietnam Fund (VVF)

31 December 2025

Class A NAV/share: USD26.71

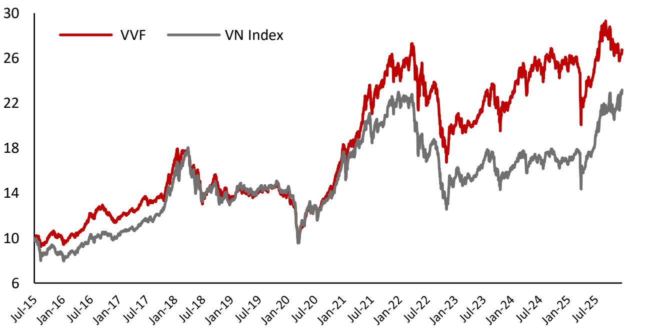
VVF is an actively managed UCITS-compliant fund that invests in equities and equity-related securities of companies that are based in Vietnam, with an objective to deliver long-term capital growth, through bottom-up stock picking and disciplined risk management. This UCITS is a product pursuant to Article 8 SFDR.

PERFORMANCE SUMMARY

	Fund[1]	VN-Index
December 2025 (m-o-m)	0.1%	5.8%
YTD	3.4%	36.5%
3-year annualized	11.2%	16.7%
5-year annualized	9.5%	7.3%
Annualized since inception[2]	9.8%	8.4%
Accumulated since inception[2]	167.1%	131.8%
Sharpe ratio (annualized since inception[2])	0.4	0.3
Standard deviation (annualized since inception[2])	20.1%	21.3%
Tracking error	8.0%	

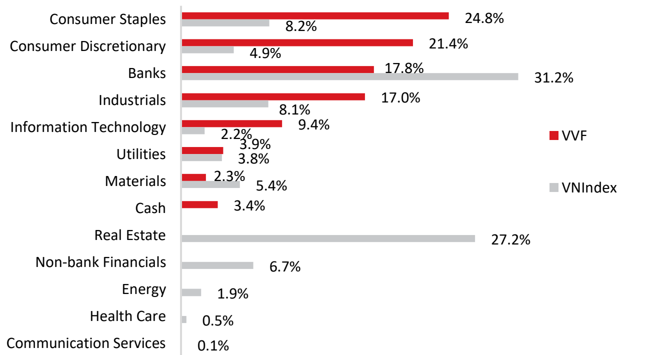
1. *Fund information calculated from Class A shares, on a net basis*
2. *Class A inception date: 14 July 2015*

PERFORMANCE CHART



Past performance is not necessarily guidance to the future.

SECTOR ALLOCATION



TOP HOLDINGS

Ticker	Market Cap (USDmn)	Sector	% of NAV	2026F PE	2026F ROE
MWG	4,970	Consumer Discretionary	10.3%	16.3	20.1%
FPT	6,206	Information Technology	9.4%	15.0	25.4%
GMD	989	Industrials	9.3%	13.0	14.0%
VHC	479	Consumer Staples	7.2%	7.8	15.0%
QNS	508	Consumer Staples	5.1%	7.7	16.8%
FRT	968	Consumer Discretionary	5.0%	24.2	26.9%
MBB	7,750	Banks	4.7%	6.8	19.4%
VNM	4,864	Consumer Staples	4.7%	13.0	28.0%
MSN	4,234	Consumer Staples	4.6%	24.4	14.9%
VIB	2,298	Banks	4.5%	6.5	17.2%
VVF Port.				10.2	16.6%
VN-Index				13.0	15.8%

Source: Bloomberg, VinaCapital's estimates

MONTHLY COMMENTARY

The VN-Index advanced 5.8% in December, closing at 1,785 points, marking a new all-time high. However, market breadth was considerably narrower than the headline figure suggests. Gains were driven predominantly by stocks within the Vingroup family, and excluding these names, the VN-Index would have risen just 0.9% for the month.

VVF's NAV per unit recorded a modest 0.1% increase in December. Performance was held back primarily by key holdings GMD (-4.4%) and VHC (-2.3%). Notably, GMD faced sustained foreign selling pressure, primarily from its strategic investor SSJ Consulting's disposal of 10mn shares, which reduced its ownership from 7.0% to 4.6%.

2025 in Review

2025 was a highly volatile year. The VN-Index sold off sharply in April following President Trump's announcement of higher-than-expected tariffs on U.S. imports. But after a brief period of overselling, the stock market rebounded strongly toward year-end. For CY2025, the VN-Index delivered an impressive return of 36.5% (in USD terms). However, a closer look reveals that performance was heavily concentrated in a small number of conglomerates, most notably Vingroup. Vingroup-related stocks generated outsized gains during the year, with VIC +711%, VHM +200%, and VRE +90% (in USD terms). As a result, the group's weight in the Index rose from 7% at end-2024 to 25% by end-2025, with VIC alone reaching a market capitalization of approximately USD 50 billion, or nearly 16% of the Index. Excluding these conglomerates, the broader market would have delivered just 9.1%.

The Fund return for CY2025 was 3.4% in USD terms, underperforming the VN-Index due to its zero weight in Vingroup stocks and some other speculative names. The fund's performance was also hurt by high allocation to trade-related and consumer stocks. Despite these challenges, we remain committed to our long-term investment philosophy, which focuses on identifying high-quality businesses for long-term holding. Our portfolio typically owns companies with clear and understandable business models, strong alignment between management and shareholders, sustainably high returns on invested capital, and durable EPS growth. We do not invest in companies solely because of size or index weight when the position is not justified by fundamentals. In our assessment, Vingroup's businesses did not meet our investment criteria, given their low returns on capital and weak earnings quality. While our significant underweight in these stocks weighed on relative performance in 2025, we believe this discipline is essential to protecting long-term capital and compounding value.

In individual stocks' contribution, the Fund's top-performing holdings were concentrated in two sectors—banking and consumer discretionary. The stronger performers across these sectors shared several common characteristics that underpinned their outperformance during the year: (1) revenues were predominantly domestic-oriented, insulating earnings from tariff-related uncertainties; (2) earnings experienced a meaningful recovery from a low base in prior years; and (3) structural transformation and the scaling up of new business lines emerged as key growth drivers.

In particular, the top three contributors to the Fund's performance in 2025 were:

Stock	2025 Price Performance	2025E EPS Growth	2026F EPS Growth	2025E PER	2026F PER
VPB	+48.5%	52%	27.8%	9.1x	7.4x
MWG	+42.5%	84%	22.8%	20.0x	16.3x
STB	+52.4%	-41%	11.9%	16.4x	14.7x

We entered 2025 with an overweight position in banks, with private lenders trading at 1.1x–1.4x P/B at the beginning of the year, which we viewed as compelling given sustainable ROEs of 15%–20%. VPB and STB were our highest conviction positions, each backed by near-term catalysts: 1) VPB's imminent listing of its brokerage subsidiary and the turnaround of its loss-making consumer credit subsidiary, 2) STB's expected substantial bad debt recovery via auction coupled with the improvement in asset quality after previous years of bad debt clearance.

MWG remains our top holding, delivering outstanding share price and operational performance in 2025. The company is still in the early stage of scaling its grocery minimarket format, with growth powered by store expansion and margin gains from larger economies of scale and logistics optimization. Its minimarket business started to generate profit in 2025, after 8 years of fine-tuning its business model. In addition, the company is planning to list its cash-cow mobile phone/electronics products subsidiary DMX on the stock exchange in 2026, an important re-rating catalyst for MWG.

At the other end of our attribution report, the most notable performance drags in 2025, apart from not owning Vingroup stocks, were:

Stock	2025 Price Performance	2025E EPS Growth	2026F EPS Growth	2025E PER	2026F PER
GMD	-6.3%	9%	19.0%	12.9x	10.8x
QNS	-0.9%	-20%	5.0%	7.7x	7.3x
VHC	-20.1%	20%	12.5%	8.8x	7.8x

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MACRO INDICATORS

	2024	Dec 2025	2025	YoY (%)
GDP growth[1] (%)	7.1	8.5	8.0	
Inflation[2] (%)	3.6	3.5	3.3	
FDI commitments[3] (USDbn)	33.7	3.8	31.4	-6.8
FDI disbursements (USDbn)	25.4	4.0	27.6	9.0
Imports (USDbn)	380.8	44.7	455.0	19.4
Exports (USDbn)	405.5	44.1	475.1	17.0
Trade surplus/(deficit) (USDbn)	24.8	-0.6	20.1	
Exchange rate (USD/VND)[4]	25,485	26,293	26,293	

Sources: GSO, Vietnam Customs, SBV, MPI, Bloomberg
1. Latest quarterly GDP performance | 2. Inflation: year-on-year change | 3. Excluding Share Cap Contribution
4. BBG-USDVND Spot Exchange Rate

VVF FUND INFORMATION

Fund Launch Date	14 July 2015
Legal Entity Identifier (LEI)	5493003GR1U7LK7K6767
Trading Period	Daily Subscriptions/Redemptions
Fund Size	USD63.51m
Incorporation	Luxembourg
SFDR Classification	Article 8
Registered	UK, The Netherlands, Germany, Singapore, Austria, Switzerland, Sweden, France
Management Company	Edmond de Rothschild Asset Management (Luxembourg)
Fund Manager	VinaCapital Fund Management JSC
Depository Bank	Edmond de Rothschild (Europe)
Auditor	PwC Societe Cooperative Luxembourg
Swiss Representative	First Independent Fund Services Ltd, Klausstrasse 33, CH-8008 Zurich, Switzerland
Swiss Paying Agent	NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8022 Zurich, Switzerland
Fund Platform Availability	Allfunds, Clearstream, MFEX/FundSettle, Attrax, FIL Fondsbank (FFB)

CONTACT DETAILS

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MONTHLY COMMENTARY (cont'd)

GMD and VHC sold off sharply after the April 2025 U.S. tariff announcement, due to their exposure to global trade and the U.S. market. Even with the tariff cut from 46% to 20%, sentiment toward exporters and logistics names stayed cautious. Fundamentals, however, told a very different story: both companies delivered material earnings beats and continued to show strength in volumes and pricing. From a tactical perspective, we should have anticipated a more prolonged period of negative sentiment weighing on these stocks despite solid operating fundamentals, and accordingly switched to domestic facing companies, as the government's ability and action plan to stimulate local demand and support industries were more visible.

While QNS was not affected by tariff sentiment, its share underperformed the market due to investors' liquidity preference in a hot market. The company stands out as a deep-value play, blending a defensive soymilk business with cyclical sugar exposure that benefits from trade protectionism. Trading at 7.7x 2025E P/E, with an 8.5% yield and net cash equal to 38% of assets, the valuation offers a compelling margin of safety.

2026: Repositioned for Structural Outperformance

In 2025, the Fund centered on four themes—private banks, consumer, ports, and IT—but in 4Q25 we proactively restructured the portfolio, cutting bank exposure in favour of consumer and retail, which is our current largest overweight. Bank valuations remain attractive, but consumer sector offers a more compelling risk–adjusted return profile.

Vietnam's retail landscape has undergone a structural reset. Regulatory tightening in 2025 fast-tracked formalisation, raising compliance costs and significantly marginalising informal, low-quality channels. Dominant retail and FMCG companies are fast gaining market share, supported by strong brands and efficient distribution. Our holdings sit squarely among these winners, with high confidence in sustained revenue and earnings growth trajectory.

For 2026, we are adding a fifth theme: infrastructure, as accelerating public investment must be one of the government's top priorities to achieve its 10% GDP growth ambition. Positions are being built selectively, with more details to follow.

We remain underweight property, non-bank financials, utilities, and energy. Real estate policy bias toward large developers has left smaller players structurally constrained by limited access to capital, integrated supplier networks, customer ecosystems, and government support mechanisms. Brokerage companies face ongoing earnings dilution from heavy 2025 equity issuance - a headwind that is likely to persist.

The portfolio remains disciplined and quality focused, positioned for durable long-term compounding. It trades at 10.2x 2026E P/E versus the market's 13.0x, despite similar 18% EPS growth - a clear valuation discount, while return on invested capital and earnings quality are better than the broad market due to our disciplined stock selection.

MACRO COMMENTARY

Vietnam's GDP growth accelerated to 8% in 2025, supported by strong external demand and solid macro stability. Exports to the United States rose 28% year on year despite "reciprocal tariff", while a 40% increase in Chinese tourist arrivals—following Vietnam's emergence as the preferred destination over Thailand—lifted retail sales. Domestic consumption remained modest excluding tourism, while inflation (3.3%) and VND USD depreciation (~3.0%) stayed well contained within policy targets.

Access to Full December Macro Report

KEY TERMS

	Class A	Class B	Class C	Class D	Class G	Class H	Class I
Currency	USD	USD	EUR	EUR	JPY	USD	USD
Min. Investment	500,000[1]	5,000	500,000[1]	5,000	10,000,000[1]	5,000,000[1]	10,000,000[1]
Management Fee	1.25%	2.00%	1.25%	2.00%	2.00%	1.25%	1.00%
Bloomberg	FOVCPVA LX	FOVIEBU LX	FOVIECE LX	FOVIEDE LX	FOVCPVG LX	FORMVIN LX	FOVCPIU LX
ISIN	LU1163030197	LU1163027052	LU1214542463	LU1214545136	LU1286783011	LU2552457918	LU2560055225

[1] The minimum initial subscription amount may be waived at the discretion of the Investment Manager.