

# VinaCapital Discovery Equity Fund (VINACAPITAL-VDEF)



As of 31 May 2026

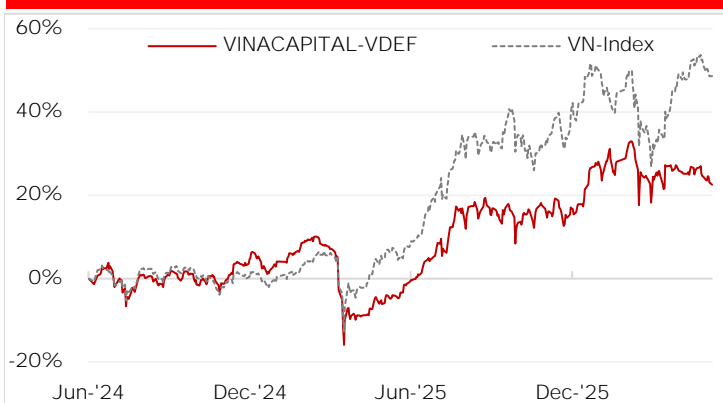
The Fund focuses on identifying investment opportunities in under-researched and overlooked companies that are trading at attractive valuations. The Fund adopts a high-conviction, actively managed investment strategy, with a preference for small- and mid-capitalization companies that possess scalable 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
May 2026 return (%)	(2.1)	0.5
YTD 2026 return (%)	3.9	4.4
3-year annualized return (% p.a.)	-	-
5-year annualized return (% p.a.)	-	-
Annualized return since inception (% p.a.)	11.1	22.7
Cumulative return since inception (%)	22.5	48.6

*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

Sector	% Total NAV
Banks	30.1
Industrials	19.4
Materials	17.9
Consumer Discretionary	10.7
Non-bank Financials	8.8
Real Estate	4.7
Information Technology	3.0
Utilities	1.9
Consumer Staples	1.8
Cash	1.6

## Top 10 Holdings

Ticker	Sector	% of NAV
MBB	Banks	7.1
PHR	Materials	6.9
CTG	Banks	6.1
HPG	Materials	6.0
VCB	Banks	5.7
STB	Banks	4.4
GMD	Industrials	4.2
HDB	Banks	4.1
REE	Industrials	4.1
VCI	Non-bank Financials	3.7
TOTAL		52.3

Classified: Public

## Monthly Commentary

### Stock Market Update

In May 2026, market performance continued to exhibit significant divergence, with index gains primarily driven by a small group of stocks in the Vingroup ecosystem and the oil & gas sector, while approximately two thirds of stocks listed on HOSE declined over the month. The VN-Index reached a new all time high of 1,928 on 18 May, but failed to sustain this momentum in the second half of the month amid weakening liquidity, persistently high interest rates, and continued net foreign outflows. As a result, the index ended May with a modest 0.5% month on month gain, while declining 3.3% from its intra month peak. Market liquidity remained subdued. Average daily trading value across the three exchanges totaled VND 26.4 trillion, broadly flat compared to April and marking the lowest level year to date. Foreign investors maintained a net selling position for most of the month, with total net outflows reaching VND 19.6 trillion, the highest level recorded in the past seven months.

From a macroeconomic perspective, Vietnam's economy in May 2026 showed limited improvement relative to the previous month, as ongoing geopolitical tensions in the Middle East continued to exert pressure on inflation and consumer demand. At the same time, growth momentum in the manufacturing sector remained concentrated in a few key industries. A notable positive development was observed in foreign direct investment (FDI). Newly registered FDI reached USD 20.6 billion in the first five months of the year, representing a 33% year on year increase, while disbursed FDI totaled USD 9.75 billion, up 9.6% year on year. Of this, 82.7% was concentrated in the manufacturing and processing sectors, reinforcing Vietnam's role as a regional manufacturing hub.

The manufacturing sector continued its recovery, although the quality of the recovery warrants close monitoring. The Purchasing Managers' Index (PMI) increased to 52.8 in May, marking the 11th consecutive month of expansion. However, this partly reflects inventory accumulation as a precaution against supply chain risks, rather than a sustained improvement in end demand.

Meanwhile, the trade balance recorded a deficit of USD 5.2 billion in May, bringing the cumulative deficit for the first five months of the year to USD 13.8 billion, equivalent to approximately 7% of GDP. Imports grew strongly by 31% year on year over the five month period, driven primarily by electronic components and machinery used in processing and manufacturing activities. Exports increased by 19.5%, but have become increasingly reliant on the FDI sector and the electronics segment, particularly computers and related products. In contrast, exports from domestic enterprises grew by only 2.5%, highlighting ongoing challenges faced by local businesses.

Inflationary pressures continued to build in May, with the Consumer Price Index (CPI) rising 5.6% year on year. This was largely driven by energy costs feeding through into transportation and construction materials, negatively impacting real purchasing power. Although real retail sales improved compared to April, growth remained below previous levels, with cumulative five month growth easing to 6.1%, down from 7.0% in the first quarter. Liquidity conditions within the banking system remained tight. Credit growth reached 5.7% year to date, significantly outpacing deposit growth of 3%, resulting in continued upward pressure on deposit rates. While the State Bank of Vietnam has provided short term liquidity support through open market operations, scope for interest rate cuts remains limited, given persistent risks related to inflation and exchange rates, as well as sustained demand for capital across the economy.

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As of 31 May 2026

Portfolio Statistics		
	VINACAPITAL-VDEF	VN-Index
2026 P/E (x)	9.8	12.8
2026 P/B (x)	1.5	1.8
2026 ROE (%)	15.7	15.3
2026 Dividend yield (%)	2.7	1.8
Portfolio turnover (Since inception) (%)	158.5	-
Sharpe ratio (Since inception)	0.4	1.0
Beta (Since inception)	0.7	1.0
No. of stocks	28	425

(Source: VinaCapital's forecast)

Fund Information	
Total AUM (VND billion)	380.6
NAV/Share (VND)	12,253.5
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.)

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## Monthly Commentary (continued)

### Fund Update and Investment Outlook

At the recent Annual General Meeting of investors, VINACAPITAL-VDEF – the latest open ended fund managed by VinaCapital – formally approved a revision to its investment strategy. Accordingly, the fund is transitioning from a strategy focused on companies with stable cash flows and sustainable dividend payouts to a more concentrated, actively managed approach, aimed at capturing growth opportunities that are attractively valued in the market. This new strategy is expected to broaden the opportunity set and enhance the fund's ability to create value for investors over the medium to long term.

Specifically, the fund will prioritize investments in small and mid capitalization companies that possess scalable business models or are entering phases of potential transformational growth, supported by strong catalysts that can drive valuation re rating. Sector allocation and portfolio weights will be adjusted dynamically across economic and industry cycles, with the objective of optimizing returns, while risk is managed through a disciplined and consistent investment process.

VINACAPITAL-VDEF's advantage lies in its relatively smaller portfolio size compared to larger funds, allowing greater flexibility in accessing a broader investment universe, including small cap stocks that are typically more difficult for larger funds to invest in effectively. This flexibility provides a foundation for identifying mispriced opportunities trading below intrinsic value, with attractive long term return potential.

In parallel with the strategic shift, the fund has been renamed VinaCapital Discovery Equity Fund, better reflecting its core investment approach and enhancing brand recognition. Under this new positioning, VINACAPITAL-VDEF is well placed as a complementary allocation for investors seeking to diversify portfolios and enhance overall return potential.

In terms of performance, the net asset value (NAV) per unit of VINACAPITAL-VDEF declined by 2.1% in May. Year to date, the fund has delivered a return of 3.9%, compared to the benchmark VN-Index's gain of 4.4%. Over the past 12 months, the fund achieved a return of 28.7%.

Despite near term challenges, we maintain a constructive long term view on the Vietnamese equity market, supported by attractive valuation levels. Specifically, the VN-Index's 2026 forward P/E, excluding the Vingroup related stocks, currently stands at approximately 10x, approaching the lowest level observed over the past decade. Historically, periods of market volatility and heightened uncertainty have often created compelling entry points, offering attractive risk adjusted returns over the medium to long term for patient and disciplined investors.

## 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%								3.9%

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