

VinaCapital Vietnam Opportunity Fund (VOF)

Monthly Report - May 2026



Portfolio Manager
Khanh Vu

Overview: VOF is a FTSE 250 constituent and a closed-ended listed investment company whose shares trade on the Main Market of the London Stock Exchange (LSE: VOF). Since inception³, it has delivered an annualised NAV total return of 11% in USD terms.

Objective: VOF invests in the best opportunities available in Vietnam's public and private markets, using the principles of private equity to generate superior risk-adjusted returns, focusing on sectors benefitting from Vietnam's rapidly growing economy.

Outreach: The Portfolio Manager will be in the UK on 29 June - 3 July to meet investors. Please [e-mail us](#) to arrange a meeting.

Online: [Video](#) and [Audio](#) Podcast



Portfolio

GBP 698.4m
USD 937.1m
Net Asset Value

Holdings

25 Listed Companies
7 Private Companies
with 58% of NAV in
Top-10 Holdings

Price And NAV Summary

	GBP	USD
NAV Per Share:	5.71	7.66
Net Asset Value (mn):	698.4	937.1
Share Price:	4.55	6.11
Market Capitalization (mn):	556.7	747.1
Premium/(Discount):	-20.2%	-20.2%

GBP/USD exchange rate as of 31 May 2026: 1.3419
GBP/USD exchange rate as of 30 April 2026: 1.3494
Source: Bloomberg

Compounding Growth - NAV

10.7% in GBP
9.9% in USD
10-Year Annualised
Total Return terms

Long-term Share Price Performance

11.6% in GBP
10.8% in USD
10-Year Annualised
Total Return terms

Key Metrics¹

	VOF	VN Index
2026 Forward PER (x)	9.8	13.1
2026 Forward EPS Growth (%)	18.2	16.3
Beta	0.64	1.00

1. Based on monthly total return, USD terms in 5 years; risk-free rate is the 5-year G-bond yield.
VOF is benchmark agnostic; VN Index is used as a reference.

Share Buyback - Last 12 Months

GBP 64mn
USD 86mn
Equivalent to 10% of
Outstanding Shares

Share Buyback - Since Inception

GBP 495mn
USD 684mn
Equivalent to 62% of
Outstanding Shares

Cumulative Total Returns² (%)

	1M	FYTD ³	CYTD	1Y	3Y	5Y	10Y	Since ⁴ Inception
Share Price (£)	-1.2	10.7	-1.6	11.5	12.4	12.1	200.1	958.2
NAV/Share (£)	-0.9	11.7	-2.9	10.7	15.5	15.4	176.4	1,228.8
NAV/Share (\$)	-1.5	9.3	-3.1	10.2	25.0	8.6	156.1	907.6
VN Index (\$)	1.0	36.2	4.9	40.4	63.1	33.4	211.1	1,014.5
MSCI EM (\$)	9.7	46.1	25.7	55.1	98.9	47.0	187.5	634.1
MSCI VN (\$)	-0.6	52.4	5.0	58.0	70.2	4.4	100.9	N/A

2. Inclusive of dividend distributions
3. Fiscal Year from 1 July
4. 31/12/2003

Dividends - Last 12 Months

GBP 11.00p
USD 14.50c
The only Vietnam fund
to pay dividends

Dividends - Since Inception

GBP 155mn
USD 200mn
First dividend declared
in 2017

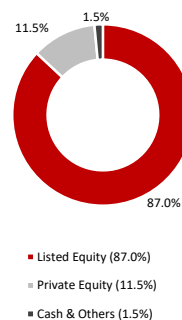
Dividends Yield

2.4% on Share Price
2.0% on NAV per Share
Annual yield, paid out twice
per year

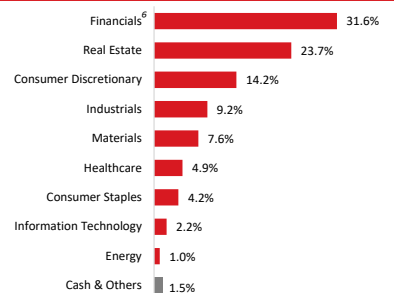
Total Capital Returned

GBP 650mn
USD 884mn
Consistently returned capital
to shareholders since 2011

NAV By Asset Class



NAV Allocation By Sector⁵

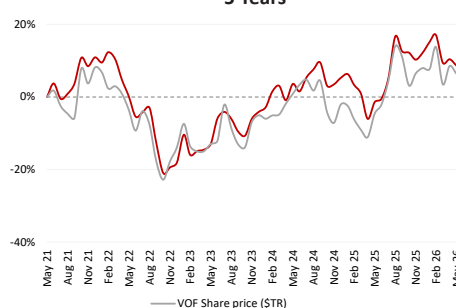
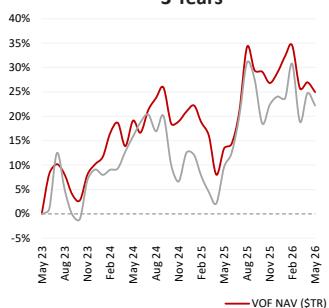


5. Based on Global Industry Classification Standards (GICS)
6. Financials include Banks (25.6%) and Non-Banks (5.9%)

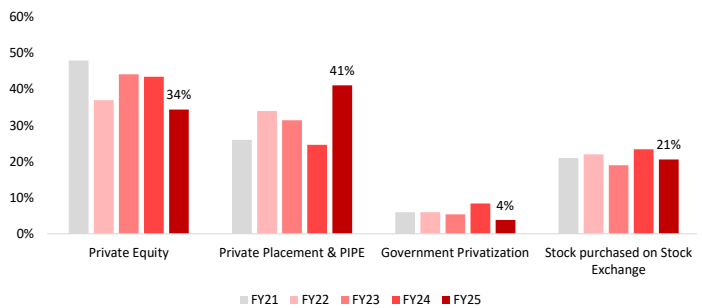
NAV Performance

3 Years

5 Years



NAV By Entry Method



Note: Financial Year ending 30 June

Top 10 Holdings

Company (Ticker)	Sector (GICS)	Market Cap. (USD bn)	NAV	1M Price Change	Why We Own
Vinhomes (VHM)	Real Estate	24.5	7.3%	6.8%	Proven megaproject execution, quality land bank, strong sales culture
MB Bank (MBB)	Financials	7.7	7.0%	-4.0%	Strong retail and corporate franchises, leading digital platform
Khang Dien House (KDH)	Real Estate	1.0	6.8%	-11.2%	Urban landbank, prudent balance sheet, disciplined project delivery
Mobile World (MWG)	Consumer Disc.	4.3	6.4%	-9.2%	Market leader, proven modern trade retailer, integrated logistics
Gemadep (GMD)	Industrials	1.2	5.9%	-1.2%	Strategic position of key ports, capacity expansion as catalyst
Phu Nhuan Jewelry (PNJ)	Consumer Disc.	1.3	5.8%	-2.2%	Market leader, efficient inventory management, wide distribution
Hoa Phat Group (HPG)	Materials	7.8	5.1%	-3.1%	Market leader, cost-competitive advantage due to vertical integration
Vietinbank (CTG)	Financials	10.3	4.9%	-0.4%	Strong corporate franchise, state-owned with a private-bank mindset
Thu Cuc Hospital (Private)	Healthcare	Private	4.4%	Private	Trusted brand with a strong clinic network in the north of Vietnam
KIDO Group (KDC)	Consumer Staples	0.6	4.2%	14.2%	Staples food ecosystem with trusted brands and nationwide distribution

Top 10 Holdings **57.8%**
Portfolio Manager's Commentary

"In the short run, the market is a voting machine, but in the long run, it is a weighing machine." - Benjamin Graham

Performance

In May, VOF's NAV declined 1.5% in USD total return terms (USD TR), bringing the financial year-to-date (FYTD) return to 9.3% USD TR through eleven months. The month's weakness was broad-based, with losses partly cushioned by more defensive holdings as sentiment was weighed down by macro concerns and thinning market liquidity.

The principal detractors were MB Bank (second-largest holding), Khang Dien House (third), and Mobile World (fourth), offset by Vinhomes (first) and more defensively positioned banking names.

The share price fell 2.0% in USD terms (1.2% in GBP) and FYTD has returned 8.7% in USD (10.7% in GBP), leaving VOF trading at an average discount of 19.6% for the month. Over the past twelve months we have deployed USD 86 million in share buybacks, equivalent to 10% of NAV. We remain committed to narrowing the discount through buybacks and strong investment performance. Once a meaningful return of foreign investors to Vietnam's stock market should provide further support. Note that foreign investors have been net sellers five out of the last six calendar years.

Ghosts of deficits past

Vietnam's trade deficit widened to 7% of GDP through May — a level not seen since the early 2010s — driven primarily by surging imports of AI-related components (including memory chips) and elevated oil prices. Headline inflation rose to 5.6% year-on-year, reaching the upper boundary of the government's target band. This has been largely offset by elevated term deposit rates of 7–8%, which have helped anchor the local currency; the USD/VND rate has remained broadly stable year-to-date.

Despite currency resilience, the combination of macro uncertainty and subdued liquidity has produced stock market volatility well in excess of what the VN-Index return alone implies. May was a tale of two halves: an early rally driven by a narrow re-rating in oil and gas names briefly pushed the index to an all-time high before giving way to a broad blue-chip sell-off through the final weeks, with the index ending the month up just 1%. The VN Index remains distorted by Vingroup (VIC) as it is not free-float adjusted, which we have written extensively in previous reports. Excluding this stock, the VN-Index returned 8.8% FYTD (CYTD -4.5%), trailing VOF's NAV return over the same period.

Part of the explanation for soft trading volumes is structural. As banks compete aggressively for funding — with the credit-deposit gap widening to USD 80 billion — retail investors have rotated savings from equities into term deposits offering attractive guaranteed returns. The State Bank of Vietnam has signalled a willingness to rein in credit growth to ease this competition for deposits and stabilise rates. The government has been equally clear that it will not sacrifice long-term economic stability for near-term growth.

Repositioning for a higher-for-longer world

We expect deposit rates to remain elevated through year-end and potentially into 2027. In the near-to-medium term, this is likely to

compress net interest margins and dampen earnings tailwinds across the banking sector. Prudently, during May we began to selectively trim our exposure to banks, our largest sectoral allocation.

The K-shaped (local) economy is emerging

Our expectation of a second-half acceleration in domestic consumption is being tempered by the data: real retail sales growth decelerated from 6.7% in 2025 to 6.1% through the first five months of 2026. Looking closer, a K-shaped dynamic is emerging, analogous to patterns seen in the US, where middle-income consumers continue to spend while lower-income households retrench.

This bifurcation is already visible in our portfolio. Beneficiaries include Phu Nhuan Jewelry (PNJ) which reported Q1 2026 net revenue growth of 79% year-on-year and NPAT growth of 117%. Mobile World (MWG) posted equally strong Q1 revenue growth of 29% and NPAT growth of 76%, further supported by the continued turnaround of its grocery business, which returned to profitability in 2024 and continues to gain momentum. Both companies experienced idiosyncratic price weakness in May; we view this as temporary and it does not alter our long-term conviction in either position.

Earnings strength hiding in plain sight

The strong results at PNJ and MWG reflect a broader trend. Q1 2026 earnings for VN-Index constituents rose 51% year-on-year; stripping out Vinhomes' outsized 850% earnings growth which distorts the aggregate, underlying index earnings still grew approximately 30%, roughly twice market consensus.

Yet the market has not rewarded this broadly. The VN-Index trades at a forward P/E of approximately 13x, below its five-year average. Exclude Vingroup which trades at 60-70x, and the rest of the market sits at approximately 10x forward earnings. Most recent price action has been concentrated in Vingroup-related names, leaving a significant portion of the market trading at depressed multiples despite robust fundamentals being delivered. We believe a broader re-rating remains on the table once the market returns to fundamentals-driven investing, and our portfolio is well-positioned to benefit when it does.

Investor meetings

As part of our regular shareholder engagement programme, we will be in London from 29 June to 3 July. If you would like to arrange a meeting, please [contact us](#).

Insights Into Vietnam's Economy


Chief Economist
Michael Kokalari, CFA

Vietnam's stock market has become bifurcated, with the strong performance of Vingroup-related stocks obscuring the fact that more than 70% of listed companies continue to trade at depressed valuations despite resilient economic fundamentals. While recent gains have been concentrated around Vingroup, the broader market appears well positioned for a valuation re-rating.

[Latest Insights Report](#)
[May Macro Report](#)

Board of Directors		VinaCapital Investment Management Ltd	
VOF's Board of Directors is composed entirely of independent non-executive directors:		Investment Manager's senior management team:	
Name	Role	Name	Role
Kathryn Matthews	Non-executive Chairman	Don Lam	Group CEO
Julian Healy	Non-executive Director	Brook Taylor	Group COO
Peter Hames	Non-executive Director	Alex Hambly	Group CIO
Hai Trinh	Non-executive Director	Tuan Ngo	Managing Director
Charlotta Ginman	Non-executive Director	Khanh Vu	Managing Director
Fund information			
LEI	2138007UD8FBBVAX9469		
ISIN	GG00BYXVT888		
Ticker	VOF		
Fund summary			
Fund Launch	30 September 2003		
Term of Fund	Five years subject to shareholder vote for liquidation (next vote to be held by December 2028)		
Fund Domicile	Guernsey		
Investment Manager	VinaCapital Investment Management Ltd, with sub-delegation to VinaCapital Fund Management JSC an entity regulated by the State Securities Commission of Vietnam		
Joint Corporate Brokers	Barclays Bank PLC, Deutsche Numis		
Management and Incentive Fee (Effective From 01 July 2023)	<p>A tiered management fee structure with the following annual rates applied to net assets:</p> <ul style="list-style-type: none"> - 1.30% of net assets, levied on the first USD1,000 million of net assets - 1.00% of net assets, levied on net assets between USD1,000 million and USD1,500 million - 0.75% of net assets, levied on net assets between USD1,500 million and USD2,000 million - 0.50% of net assets, levied on net assets above USD2,000 million <p>The incentive fee is 10% of any increase in NAV above an 10% per annum hurdle rate, with the cap on incentive fees paid out in any year at 1.5% of weighted average of month-end net assets. Excess fees are still carried forward, but can be clawed back if NAV declines after the year end. The Investment manager must use 25% of any incentive fee paid to buy VOF shares via open market purchases, subject to a minimum holding period of 5 years.</p>		
ESG	<p>VinaCapital's Responsible Investment Policy, alongside details of VOF's ESG Reporting and Voting, and other publications are available on the Company's website.</p>		



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