

AFC VIETNAM FUND UPDATE

Fund Category	Vietnam Public Equities
Country Focus	Vietnam
Subscriptions	Monthly at NAV (five business days before month end)
Redemptions	Monthly at NAV 30 days notice
Benchmark	VN Index
CIO	Vicente Nguyen
Investment Manager	Asia Frontier Capital (Vietnam) Limited, Cayman Islands
Investment Advisor	Asia Frontier Investments Limited, Hong Kong
Fund Base Currency	USD
Minimum Investment	USD 10,000
Subsequent Investments	USD 1,000
Management Fee	1.8% p.a. of NAV
Performance Fee	12.5% p.a. of NAV appreciation with high watermark
Fund Domicile	Cayman Islands
Launch Date	23 December 2013
Custodian Bank	Viet Capital Securities, Ho Chi Minh City
Auditor	Ernst & Young, Hong Kong
Administrator	Trident Fund Services, Hong Kong
Legal Advisor	Ogier, Hong Kong
ISIN	KYG0133A1673

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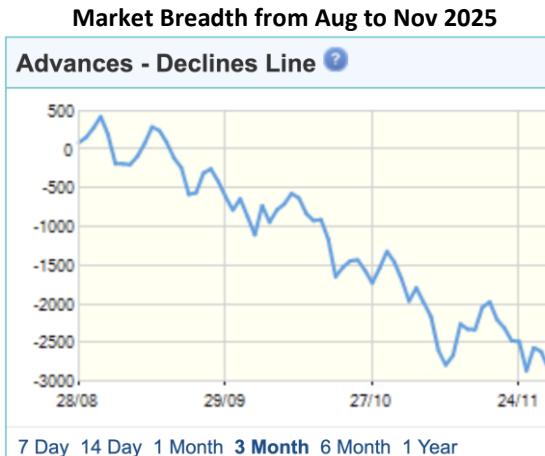
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In November, the market dynamics observed in previous months persisted, with the Vingroup trio VIC, VHM, and VRE once again dominating market movements and serving as the primary catalyst for the VN-Index's advance. By month-end, the VN-Index had gained 2.91%, driven largely by VIC, which surged more than 36% and contributed approximately 4.7% percentage points to the benchmark's overall increase. Meanwhile, the AFC Vietnam Fund declined by 1.2%, bringing the estimated NAV to USD 3,590 per share, based on internal calculations.

Market Developments

Although the benchmark index posted a modest gain in November, market breadth told a very different story: more than 200 stocks declined, while only about 50 stocks advanced. The advance-decline ratio remained negative for several consecutive months, underscoring that the VN-Index's upward movement has been driven almost entirely by a few mega-cap names, primarily Vingroup, while most listed companies continue to pull back after a strong rally since April. However, we view this as a healthy and necessary correction, supported by solid economic fundamentals and resilient earnings growth across Vietnamese enterprises.



(Source: stockbiz)

November trading activity softened significantly following FTSE Russell's official announcement of Vietnam's market upgrade. Liquidity fell sharply from the prior USD 1.5–2 bn daily range to around USD 800 m, as many retail investors took profits and moved to the sidelines awaiting clearer entry points. This shift in sentiment has also contributed to the negative market breadth observed over the past three months.

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VN-Index from Oct 2024 to Nov 2025



(Source: Vietcap Securities)

President Trump Signed 0% Tariff Order for Vietnamese Agricultural Products

In October, Prime Minister Pham Minh Chinh met with President Trump in Malaysia to advance bilateral trade discussions. Following intensive negotiations, the two countries finalized a new trade arrangement. In November, President Trump signed an executive order reducing tariffs to 0% on a wide range of Vietnamese agricultural products, including coffee, pepper, tea, tropical fruits, and cocoa beans.

Although Vietnam's agricultural exports to the U.S. have been relatively subdued, this agreement is a significant achievement for Vietnam, helping support social and economic stability in a country where more than 70% of the population is still connected to the agricultural sector. We firmly believe that this tariff exemption will unlock strong growth in agricultural exports to the U.S. in the coming years.



(Source: VnExpress)

Vietnam's export sector has demonstrated exceptional resilience in 2025, overcoming U.S. reciprocal tariffs under the "Trump 2.0" administration and solidifying its position as the country's most powerful growth engine. According to the General Statistics Office (GSO), exports to the United States reached a remarkable USD 126 bn in the first ten months of the year — a 27.7% year-on-year surge, despite the 20% tariff imposed in August 2025.

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Electronics exports jumped 62.8% YoY, while machinery and equipment rose 26.1% year-on-year, underscoring Vietnam's successful move into higher-value segments of global supply chains. This outperformance has eased earlier concerns about a potential trade slowdown and helped lift total export turnover to USD 348.74 bn (+16% year-on-year). As a result, the export sector has been a key driver of Vietnam's strong 7.85% GDP growth over the first nine months of 2025.

The Weak VND is Strongly Supporting Export Growth

The VND's controlled depreciation of roughly 4% year-to-date has created an additional, and often underestimated, boost to Vietnam's export sector. As highlighted in our June report, a moderately weaker Dong significantly enhances foreign-currency earnings for exporters in textiles, seafood, furniture, and electronics, while inflation remains well-contained below 4% thanks to stable import prices and disciplined monetary policy.

As a result, many of our export-oriented portfolio companies have enjoyed a 15–20% profit uplift purely from FX translation benefits. What the market initially perceived as a potential "currency risk" has become a clear competitive advantage.



MPC (Minh Phu), a seafood exporter, reported a threefold surge in net profit in Q3, while TNG, a textile and garment company, delivered record-high revenue and earnings driven by full U.S. and EU order books. PTB (Phu Tai), a furniture company, also maintained strong momentum, supported by its zero anti-dumping duty advantage over competitors in China.

Vanguard Opens Trading Account in Vietnam

On the capital-market front, FTSE Russell's 7th October 2025 announcement upgrading Vietnam from Frontier to Secondary Emerging Market (effective 21st September, 2026) has introduced a significant new catalyst. The upgrade is expected to attract an estimated USD 3.5–5 bn in passive inflows from global giants such as Vanguard, iShares, etc. over the following 12–18 months, potentially boosting daily market liquidity by 20–30% and expanding valuations for large-cap leaders like VNM, VIC, HPG, FPT, MWG, and VHM, which together account for nearly 60% of the FTSE Vietnam Index basket.

Adding further momentum, Vanguard, the world's largest asset manager with USD 13 trn AUM, has confirmed plans to open trading and indirect capital accounts in Vietnam immediately after the EM upgrade becomes effective in September 2026. The confirmation came during a meeting with the State Securities Commission in Melbourne on 11th November 2025, marking the most concrete signal yet that global ETF giants are preparing for Vietnam's forthcoming wave of passive fund inflows.

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SSC & Vanguard Meeting in Melbourne



(Source: VnEconomy)

GDP Growth Target of 10% for 2026

In November, Vietnam's National Assembly approved an ambitious 10% GDP growth target for 2026, alongside goals of USD 5,500 GDP per capita and 4.5% CPI. The outlook remains highly positive, supported by a USD 48 bn infrastructure program across 250 key projects and strong FDI disbursement of USD 21.3 bn in the first 10 months of 2025

Combined with robust export momentum and anticipated passive inflows into the FTSE Emerging Markets index in 2026–2027, Vietnam is on track for sustained 8–10% annual GDP growth, reaffirming its position as one of the most attractive long-term stories in global emerging markets. With such strong fundamentals, we believe Vietnam's equity market is well-positioned to reach new record highs in the coming years.

Severe Flooding Hits Central Vietnam

At least 400 people have died and remain missing due to severe flooding in central Vietnam, with Dak Lak Province suffering the highest toll at 63 fatalities. Floodwaters are gradually receding following days of heavy rainfall, but several communes in Dak Lak remain submerged. This is the worst flooding since 1993, when rainfall and water levels reached record highs. Total damages are estimated at nearly VND 9 trn (~USD 341.5 m), with 1,154 houses damaged and 257,000 households still without electricity.

Houses in Hoa Thinh Commune, Daklak Province



(Source: VnExpress)

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Economy

Macroeconomic Indicators				
	2022	2023	2024	Oct-25
GDP	8.02%	5.05%	7.00%	7.52%
Industrial production (YoY)	7.7%	3.0%	8.4%	9.2%
FDI disbursement (USD bln)	22.4	23.2	24.8	21.3
Exports (USD bln)	371.9	355.5	404.0	391.0
Imports (USD bln)	360.7	327.5	377.0	371.4
Trade balance (USD bln)	11.2	28.0	27.0	19.6
Retail sales (YoY)	19.80%	9.60%	8.80%	9.30%
CPI (YoY)	3.15%	3.25%	3.78%	3.27%
VND	23,663	24,261	25,488	26,363
Credit growth (YoY)	12.9%	13.5%	12.0%	13.0%
Foreign reserves (USD bln)	90	96	96	96

(Source: GSO, VCB, State Bank, AFC Research)

Subscription

The next subscription deadline is 23rd December 2025. If you need assistance with the subscription process, please email Andreas Vogelsanger at av@asiafrontiercapital.com.

Best regards,

AFC Vietnam Fund

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NAV as of 30th November 2025

NAV	3,632*
Since Inception	+263.2%*
Annualised Return	+11.5%*
Inception Date	23/12/2013

Monthly Performances AFC Vietnam Fund

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	USD												+2.37%	+2.37%
2014	USD	+8.75%	+4.50%	+2.18%	-4.65%	-0.32%	+1.45%	+1.86%	+5.49%	+3.87%	+2.83%	+2.50%	+0.60%	+32.50%
2015	USD	+0.44%	+1.76%	-0.96%	+1.93%	-0.48%	+0.06%	+0.22%	-4.57%	+1.18%	+6.90%	-1.82%	+0.25%	+4.62%
2016	USD	-0.10%	+3.30%	+1.28%	+3.17%	+1.40%	+4.97%	+3.0%	+0.13%	+0.11%	-1.83%	+0.88%	-1.76%	+15.29%
2017	USD	+1.90%	+1.10%	+1.94%	+1.03%	+2.96%	+4.52%	+1.94%	-4.38%	+1.09%	-0.75%	+1.47%	+0.01%	+13.33%
2018	USD	+0.41%	+0.42%	+0.58%	-0.93%	-3.24%	-0.12%	-1.28%	+0.79%	+3.02	-2.14%	+0.45%	-2.05%	-4.17%
2019	USD	-1.63%	+2.90%	+1.58%	+0.82%	-3.35%	+1.98%	+1.18%	+1.63%	-1.89%	-2.34%	-1.59%	+2.31%	+0.70%
2020	USD	-1.41%	-3.93%	-18.44%	+12.72%	+4.28%	-0.28%	+0.78%	+8.65%	+6.02%	+0.72%	+6.91%	+12.77%	+27.66%
2021	USD	-1.89%	+9.49%	+5.84%	+1.58%	+6.37%	+8.37%	-1.30%	+8.47%	+3.80%	+4.47%	+2.42%	-1.69%	+55.61%
2022	USD	-2.51%	+1.92%	+5.99%	-5.82%	-5.85%	-3.73%	+2.50%	+1.76%	-10.01%	-10.53%	+1.35%	+6.09%	-18.84%
2023	USD	+4.70%	-5.71%	+3.80%	+2.17%	+3.42%	+3.01%	+6.09%	-3.53%	-2.91%	-8.13%	+4.58%	+2.38%	+9.02%
2024	USD	-2.24%	+0.49%	+2.47%	-3.72%	+7.35%	+1.73%	+1.67%	+2.05%	-0.56%	-3.34%	+0.35%	+4.09%	+10.25%
2025	USD	-0.88%	+2.02%	-3.64%	-9.12%	+4.73%	+6.55%	+5.33%	+3.88%	-1.10%	-1.96%	-1.2%*		+3.5%*

*According to internal estimates

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