

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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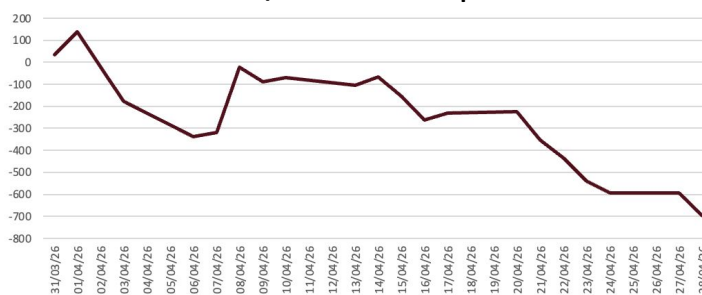
Nearly two months after the outbreak of the U.S.–Iran conflict on 28 February 2026, global markets remain highly volatile, with continued sharp swings across major indices. In April, the Vietnamese market partially recovered from its March lows, with the VN-Index rising 10.7% in USD terms. The rebound was largely driven by Vingroup-related stocks, particularly VIC, VHM, and VRE, while the broader market lagged, as reflected in weak market breadth with decliners significantly outnumbering advancers. Against this challenging backdrop, the AFC Vietnam Fund declined by 1.1% in April, bringing its estimated NAV to USD 3,436 per share, based on internal calculations.

VN-Index from April 2022 to April 2026



(Source: Vietcap Securities)

Advance/Decline Ratio - April 2026



(Source: Bloomberg)

Market Developments

April was a challenging month, with a negative advance-decline ratio indicating that the broader market did not participate in the rally. As a result, the AFC Vietnam Fund underperformed the benchmark, reflecting its diversified positioning and lack of exposure to Vingroup-related names such as VIC, VHM, and VRE, which were the primary drivers of the index and contributed over 99% to its gain during the month!

Importantly, this price-driven underperformance contrasts with the strong underlying fundamentals of our fund's portfolio. Earnings across our holdings remained robust, with all top 10 positions delivering solid profit growth in Q1 2026. This broad-based improvement reinforces our conviction in portfolio quality, with standout performance from MPC, which reported nearly 500% profit growth (YoY), highlighting the strength of the earnings recovery within our investments.

AFC VIETNAM FUND UPDATE

Vietnam Upgraded to Emerging Market by FTSE Russell

During the month, the Vietnamese stock market was supported by the official upgrade to Secondary Emerging Market status by FTSE Russell, following the successful March 2026 interim review. This landmark milestone places Vietnam alongside major emerging markets such as China, Taiwan, India, and Brazil, reflecting years of regulatory reforms led by the Ministry of Finance, the State Securities Commission (SSC), and the Vietnam Securities Depository and Clearing Corporation (VSDC). Vietnam had been on the watchlist since September 2018.

The reclassification will take effect on 21st September 2026, with a phased four-tranche implementation (10%, 20%, 35%, 35%) through September 2027. Foreign inflows are estimated at USD 6–8 bn, with upside potential toward USD 10 bn in a bullish scenario, driven primarily by active funds. Vietnam is expected to receive modest but meaningful index weights across FTSE indices, reinforcing a sustained inflow story and supporting long-term market liquidity and valuation expansion.

U.S.-Iran Conflict

By April, while tensions remained elevated, both sides moved toward de-escalation with a ceasefire to facilitate negotiations. The Strait of Hormuz gradually reopened, allowing oil shipments to resume and easing supply disruptions. As a result, crude prices declined from their early April peak, while several Asian countries began receiving previously delayed cargoes, helping to normalize supply conditions.

Vietnam also benefited from this improvement. National oil reserves increased to around 24 days (from 15 days in February), enabling the government to cut retail fuel prices by approximately 25% in mid-April. Although geopolitical risks persist, the willingness of the U.S. and Iran to enter formal negotiations signals a potential stabilization of the situation in the near term.



New Government Successfully Formed

In April, Vietnam's National Assembly completed the appointment of key leadership positions for the 2026–2030 term, including the President, Prime Minister, and cabinet members. Following the outcome, Tô Lâm was selected as President, while Lê Minh Hưng was appointed Prime Minister.

After the new administration was established, Prime Minister Lê Minh Hưng reaffirmed the government's ambitious target of achieving 10% annual GDP growth over 2026–2030. He has also begun coordinating closely with the State Bank of Vietnam and relevant ministries to implement policies to support this high-growth agenda.

AFC VIETNAM FUND UPDATE

To Lam was selected to be the President of Vietnam



(Source: VnExpress)

Strong Start to 2026: GDP Growth at 15-Year High

Despite ongoing global turbulence, Vietnam continues to stand out as one of the fastest-growing economies globally. In Q1 2026, GDP expanded by 7.83%, the highest first-quarter growth rate in the past 15 years, since 2011.

This strong performance was driven by robust industrial production, a solid recovery in domestic consumption, and accelerating tourism activity, highlighting the resilience and broad-based strength of Vietnam's economic momentum.

Broad-Based Growth Across Key Economic Drivers

Vietnam's strong Q1 2026 performance was supported by a wide range of core growth engines, underscoring the economy's fundamentally healthy and well-balanced expansion. Industrial production rose by 9.0% year-on-year, while foreign direct investment remained robust, with registered capital surging 42.9% to USD 15.2 bn and disbursement increasing 9% to USD 5.4 bn.

External demand also stayed resilient despite global turbulence. Export turnover grew 19.1% year-on-year to a record USD 126.6 bn, with the United States remaining Vietnam's largest market at USD 50.1 bn, accounting for nearly 40% of total exports. At the same time, tourism continued its strong recovery, with international arrivals reaching a record 6.7 m in Q1 (+12.4% YoY). Authorities expect total visitors to exceed 24 m in 2026, positioning Vietnam as one of the world's fastest-growing and most attractive travel destinations.

Vietnam's stable and resilient economic growth has been consistently demonstrated over many years, rather than driven by any single event or short-term cycle. This track record reinforces confidence in the country's structural strength and long-term growth trajectory.

We remain firmly convinced that Vietnam's economy will continue to expand at a robust pace over the next five years and beyond, supported by strong fundamentals, ongoing reforms, and sustained investment momentum.

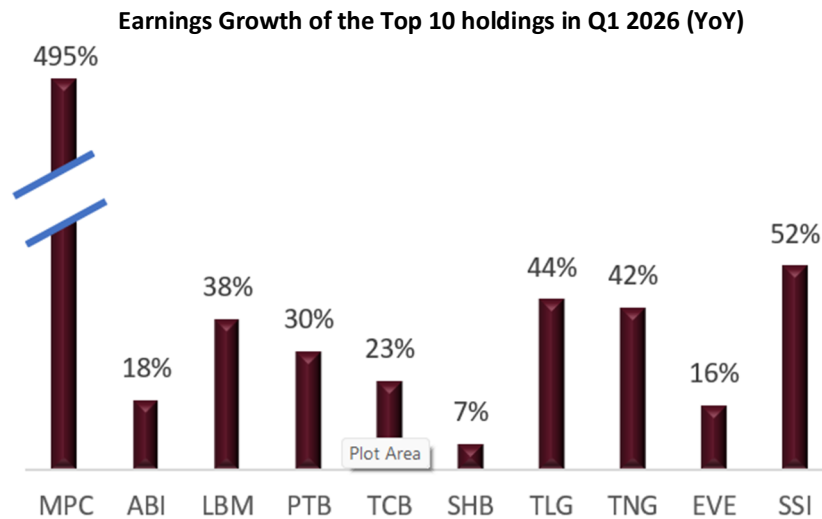
1st Quarter 2026 Earnings and AGM Updates

April marked a busy AGM season for the AFC Vietnam Fund, providing valuable insights into 2026 business plans and long-term strategies across our portfolio. Most of our top holdings delivered strong Q1 results, particularly export-oriented companies such as TNG, PTB, and MPC, which reported impressive net profit growth of 42%, 30%, and 495%, respectively, compared to Q1-2025. Notably, both TNG and PTB achieved record-high quarterly earnings, with net profits of VND 75 bn and VND 189 bn, respectively. Management across these companies expressed strong confidence in sustained demand,

AFC VIETNAM FUND UPDATE

supported by solid global order books, and outlined ambitious expansion plans. For instance, MPC is set to commence operations at a new factory in May 2026, with additional facilities planned for 2027 and 2028 to double capacity.

Beyond exports, infrastructure-related holdings also continued to perform strongly. At the AGM of LBM, Chairman Le Dinh Hien highlighted that Q1 net profit surged 38% year-on-year to a record high, and reaffirmed the company's target to double earnings over the 2026–2030 period. Overall, AGM discussions reinforced our conviction that our portfolio companies are executing well and remain well-positioned for sustained growth.



(Source: AFC Research)

Economy

Macroeconomic Indicators				
	2023	2024	2025	1Q-26
GDP	5.05%	7.00%	8.02%	7.83%
Industrial production (YoY)	3.0%	8.4%	9.2%	9.0%
FDI disbursement (USD bln)	23.2	24.8	27.6	5.4
Exports (USD bln)	355.5	404.0	475.0	122.9
Imports (USD bln)	327.5	377.0	455.0	126.6
Trade balance (USD bln)	28.0	27.0	20.0	-3.6
Retail sales (YoY)	9.60%	8.80%	9.20%	10.90%
CPI (YoY)	3.25%	3.78%	3.44%	3.51%
VND	24,261	25,488	26,293	26,350
Credit growth (YoY)	13.5%	12.0%	17.7%	2.2%
Foreign reserves (USD bln)	96	96	96	96

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

AFC VIETNAM FUND UPDATE

Subscription

The next subscription deadline is 25th May 2026. If you need assistance with the subscription process, please email Andreas Vogelsanger at av@asiafrontiercapital.com.

Best regards,

AFC Vietnam Fund

NAV as of 30th April 2026

NAV	3,436*
Since Inception	+243.6%*
Annualised Return	+10.6%*
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%	-1.26%	-1.07%	+2.40%
2026	USD	+4.32%	+2.69%	-8.65%	-1.1%*									-3.2%*

*According to internal estimates

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