31st July 2026

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

Contact Information

Asia Frontier Capital Ltd.
www.asiafrontiercapital.com

Mr. Andreas Vogelsanger, CEO
Asia Frontier Capital (Vietnam) Limited
Tel: +66 84435 7472, Fax: +852 3904 1017
av@asiafrontiercapital.com

Registered Office:
c/o Ogier Global (Cayman) Limited
89 Nexus Way, Camana Bay
Grand Cayman KY1-9009,
Cayman Islands

Hong Kong Office:
Asia Frontier Investments Limited
1805, 18/Floor, Hing Yip Commercial Centre
272-284 Des Voeux Road Central, Sheung Wan
Hong Kong

July was another very challenging month for Vietnamese equities. By the end of the month, the VN-Index had declined by 6.1% in USD terms, closing at 1,735.78 points, accompanied by a sharp contraction in market liquidity. Reflecting the broader market weakness, the AFC Vietnam Fund also declined by 7.5%, ending the month at USD 3,129 per share, according to internal estimates.

The sell-off has pushed the Fund's valuation to exceptionally attractive levels, with the portfolio trading at one of the lowest valuation multiples since the Fund's inception. Reflecting his strong conviction in the long-term value of the portfolio, our Chief Investment Officer significantly increased his personal investment in AFC Vietnam Fund this month, taking advantage of what he believes are unusually depressed valuations. In our view, such extreme valuation levels are unlikely to persist for an extended period, particularly given the robust earnings growth of the Fund's portfolio companies, and Vietnam's strong macroeconomic fundamentals and resilient long-term growth outlook.

VN-Index from July 2022 to July 2026

(Source: Vietcap Securities)

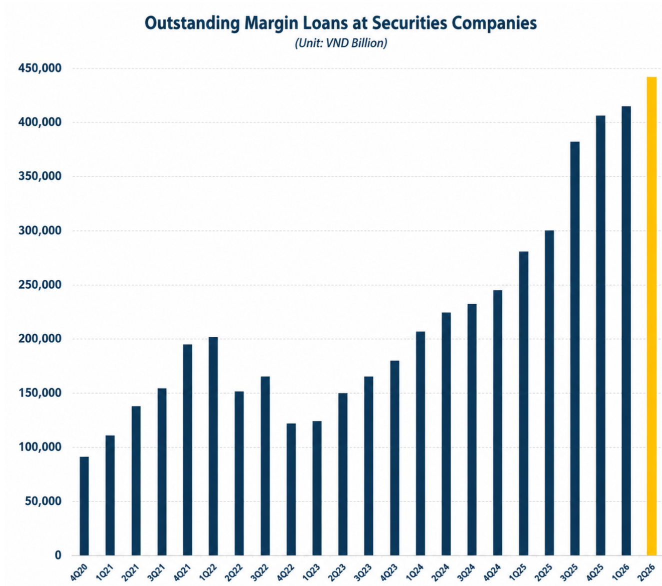
Market Developments

While the Fund's short-term performance is naturally disappointing, we believe it is far more important to understand why prices have fallen than simply to observe that they have.

Unlike many previous market corrections, the VN-Index declined sharply by 6.1% in July despite Vietnam's robust economic growth and continued earnings expansion among listed companies. In our view, the sell-off was driven primarily by market structure and technical factors rather than any deterioration in corporate fundamentals. Entering July, margin lending across the securities industry had reached record levels, leaving the market unusually vulnerable to a correction. Against this backdrop, the incident involving PNJ, where concerns over the credibility of its diamond certification triggered a sharp loss of investor and consumer confidence, acted as the catalyst for a broader market sell-off. As PNJ came under heavy selling pressure and leveraged positions were unwound, margin calls forced investors to liquidate holdings across their portfolios, while others proactively reduced exposure to avoid becoming forced sellers. This triggered a self-reinforcing deleveraging cycle, resulting in indiscriminate selling across the market regardless of the underlying quality or earnings performance of individual companies.

31st July 2026

AFC VIETNAM FUND UPDATE



(Source: cafef)

Strong Fundamentals, Exceptionally Attractive Valuations

What makes the current market particularly remarkable is the widening disconnect between share prices and underlying business fundamentals.

As the second-quarter earnings season concluded, Vietnamese listed companies continued to deliver robust operating results. Based on our estimates, aggregate earnings for listed companies increased by approximately 17% year-on-year, demonstrating that corporate Vietnam remains firmly on a healthy growth trajectory.

The companies held by AFC Vietnam Fund performed even better. Earnings across our portfolio increased by more than 30%, almost twice the market average. Many of our holdings reported the highest profits in their history, while most continued to deliver strong double-digit earnings growth.

The best example is Minh Phu Seafood Corporation (MPC), the Fund's largest holding. During the first six months of 2026, MPC reported net profit of VND 586 bn, the highest first-half profit in the Company's history. Second-quarter earnings alone increased by more than 120% compared with the same period last year, driven by strong export demand, improving operating efficiency, and the continued recovery of global shrimp markets.

Yet despite this exceptional financial performance, MPC's share price declined by more than 20% during the period. Following the recent correction, the stock is trading at only around 6x 12-month trailing earnings, an exceptionally low valuation for one of the world's largest shrimp exporters and market leader delivering record profits combined with long-term growth prospects. In our view, this valuation fails to reflect the company's earnings power, competitive position, or future potential.

AFC VIETNAM FUND UPDATE

MPC stock price tumbles regardless of outstanding business performance

(Source: Vietcap Securities)

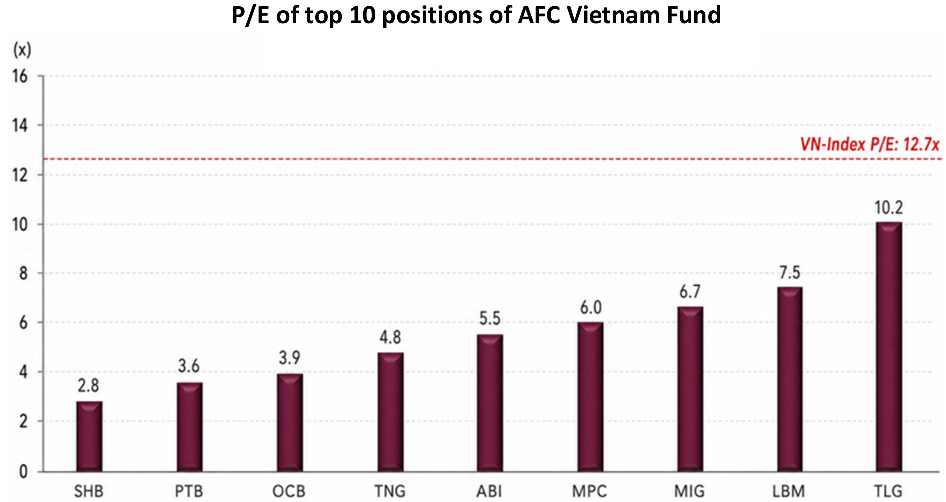
Importantly, MPC is far from an isolated case. The Fund's ten largest holdings all delivered average earnings growth of more than 35%, underscoring the strength, resilience, and quality of the businesses that AFC has carefully selected and accumulated over many years.

Yet the market continues to tell a very different story. While Vietnam's economy is expanding at its fastest pace in sixteen years and corporate earnings continue to reach record highs, equity valuations have compressed further. Today, the VN-Index trades at approximately 12.7x trailing earnings. Excluding VIC, whose elevated valuation materially distorts the benchmark, the broader market trades at only around 10x earnings.

The AFC Vietnam Fund is even more attractively valued, with the portfolio currently trading at approximately 7.7x trailing earnings, one of the lowest valuation levels since the Fund's inception. In our view, it is difficult to reconcile such valuations with the quality of the underlying businesses, their competitive market positions, and their current earnings trajectories.

We believe the current disconnect between fundamentals and market valuations is temporary rather than structural. As market sentiment normalizes, we expect share prices to increasingly reflect the strong operating performance of our portfolio companies and Vietnam's robust macroeconomic fundamentals. For long-term investors, the combination of record earnings growth, exceptionally low valuations, and one of Asia's strongest macroeconomic backdrops presents a compelling investment opportunity.

P/E of top 10 positions of AFC Vietnam Fund



(Source: Vietstock, AFC Research)

31st July 2026

AFC VIETNAM FUND UPDATE

The valuation profile of our portfolio creates an unusually attractive risk-reward opportunity. While our holdings may continue to experience short-term share price volatility if overall market sentiment remains weak, we believe the scope for further downside has become increasingly limited. Most of our largest positions are currently trading at just 3–7x trailing earnings, suggesting that a significant degree of pessimism has already been priced into valuations. At these levels, even further multiple compression would likely have only a limited impact on portfolio value relative to the substantial declines already experienced.

The potential upside, by contrast, remains highly compelling. If these businesses were simply to re-rate toward the broader market valuation, currently around 12.7x trailing earnings, without any improvement beyond their existing earnings trajectory, the portfolio could appreciate by more than 50% from current levels.

This creates an attractive asymmetry: limited downside risk compared with substantial upside potential. In our view, this represents one of the most compelling investment opportunities we have seen in many years in Vietnam. It is this disconnect between market prices and underlying intrinsic value that reinforces our conviction to remain fully invested and to continue increasing our allocation to the Fund.

Impressive Economic Performance

The strong performance of our portfolio reflects an equally impressive macroeconomic backdrop. Vietnam’s economy expanded by 8.39% year-over-year in the second quarter of 2026, marking the strongest quarterly GDP growth in 16 years. Growth was broad-based, with nearly every major sector of the economy contributing to the expansion.

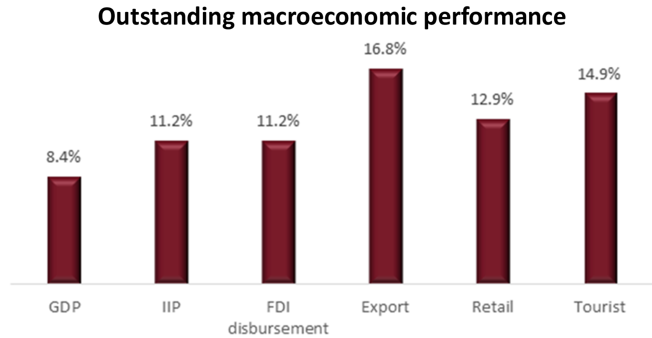
Industrial production increased by 10.5%, reinforcing manufacturing as one of the country's primary growth engines. Merchandise exports reached a record USD 266.5 bn during the first six months of the year, up 21% compared with the same period last year. Exports to the United States also reached an all-time high of USD 86.5 bn, increasing 22% year-over-year, further demonstrating the competitiveness of Vietnamese manufacturers and exporters despite an increasingly challenging global trade environment.

While the recently announced 12.5% U.S. tariff on Vietnamese exports represents a near-term headwind for certain industries, we believe its impact is manageable. More importantly, it removes a significant source of uncertainty that had weighed on businesses and investors in recent months. With greater policy clarity, exporters can now adjust pricing strategies, optimise supply chains, and negotiate new contracts with greater confidence. Vietnam also continues to benefit from a highly competitive manufacturing base, a well-established industrial ecosystem, and robust foreign direct investment inflows, which should help mitigate the impact over time. We therefore do not expect the new tariff regime to materially alter Vietnam's long-term position as one of Asia's leading export and manufacturing hubs.

Domestic demand also strengthened considerably, with retail sales increasing 12.9%, reflecting a broad-based recovery in consumer spending. International tourism remained another key growth driver, with Vietnam welcoming a record 12.3 m foreign visitors during the first six months of the year, an increase of 14.9% year-over-year.

Perhaps most remarkably, the government reported a fiscal surplus of more than USD 15.8 bn, the largest recorded since the launch of Vietnam's Doi Moi economic reforms in 1986. Taken together, these figures reinforce our conviction that Vietnam's growth is not driven by a single sector, but by a diversified and increasingly resilient economy supported by strong exports, rising domestic consumption, record tourism, prudent fiscal management, and continued foreign investment.

AFC VIETNAM FUND UPDATE



(Source: GSO, AFC Research)

Taken together, these figures paint the picture of an economy that continues to strengthen across virtually every major sector. From industrial production and exports to domestic consumption, tourism, and public finances, Vietnam continues to demonstrate broad-based and sustainable growth. In our view, the country's strong macroeconomic fundamentals reinforce its position as one of the fastest-growing and most dynamic economies in Asia, providing a solid foundation for long-term corporate earnings growth and attractive investment opportunities.

Conclusion

Periods like this are rare, but not unprecedented. Financial markets can temporarily disconnect from business fundamentals, with fear and short-term sentiment overwhelming rational analysis.

Investors face a simple choice: sell high-quality businesses because share prices have declined, or recognise that their underlying value continues to grow while valuations become increasingly attractive.

History has shown that some of the best long-term investment opportunities emerge during periods of extreme pessimism. A company's intrinsic value does not decline simply because market sentiment weakens. Over time, earnings growth, business quality and fundamentals prevail.

We believe the current environment once again demonstrates this principle. While short-term share prices are driven by sentiment and liquidity, long-term returns are determined by earnings growth and intrinsic value. As long as our portfolio companies continue to strengthen their businesses, we remain confident that the market will eventually recognise their value.

AFC VIETNAM FUND UPDATE

Economy

Macroeconomic Indicators				
	2023	**2024**	**2025**	**Q2-26**
GDP	5.05%	7.00%	8.02%	8.18%
Industrial production (YoY)	3.0%	8.4%	9.2%	10.8%
FDI disbursement (USD bln)	23.2	24.8	27.6	13.0
Exports (USD bln)	355.5	404.0	475.0	266.5
Imports (USD bln)	327.5	377.0	455.0	283.2
Trade balance (USD bln)	28.0	27.0	20.0	-16.7
Retail sales (YoY)	9.60%	8.80%	9.20%	12.90%
CPI (YoY)	3.25%	3.78%	3.44%	4.38%
VND	24,261	25,488	26,293	26,307
Credit growth (YoY)	13.5%	12.0%	17.7%	7.4%
Foreign reserves (USD bln)	96	96	96	96

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

Subscription

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

Best regards,

AFC Vietnam Fund

31st July 2026

AFC VIETNAM FUND UPDATE

NAV as of 31st July 2026

NAV	3,129*
Since Inception	+212.9%*
Annualised Return	+9.5%*
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%	-1.26%	-1.07%	**+2.40%**
2026	**USD**	+4.32%	+2.69%	-8.65%	-1.25%	-0.53%	-0.88%	-7.5%*						**-11.9%***

***According to internal estimates**

** By accessing information contained herein, users are deemed to be representing and warranting that they are either a Hong Kong Professional Investor or are observing the applicable laws and regulations of their relevant jurisdictions.*
** The fund is authorized for distribution to professional investors in Hong Kong, Japan, Singapore, and the UK.*
** For Switzerland only: This is an advertising document. The state of the origin of the fund is the Cayman Islands. This document may only be provided to qualified investors within the meaning of art. 10 para. 3 and 3ter CISA. In Switzerland, the representative is Acolin Fund Services AG, Maintower, Thurgauerstrasse 36/38, 8050 Zurich, Switzerland, whilst the paying agent is NPB Neue Privat Bank AG, Limmatquai 1 / am Bellevue, 8024 Zurich, Switzerland. The basic documents of the fund report may be obtained free of charge from the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions, if any, and fund transfer costs incurred on the issue and redemption of units.*

DISCLAIMER

Investments in equities in Vietnam are subject to market risk, idiosyncratic risk, liquidity risk, and currency exchange rate risk. The fund may use financial derivative instruments as a part of the investment process. This document does not constitute an offer to sell, or a solicitation of an offer to buy shares in AFC Vietnam Fund. We will not make such offer or solicitation prior to the delivery of an offering memorandum, the operating agreement or articles of association, a subscription booklet, and other materials relating to the matters herein. Before making an investment decision, we advise potential investors to read these materials carefully and to consult with their tax, legal, and financial advisors. The materials have not been reviewed by the regulatory authority of any jurisdiction. Investment is open only to accredited investors as defined by the relevant legal jurisdiction of residence and/or nationality. We have compiled this information from sources we believe to be reliable, but we cannot guarantee its accuracy. We present our opinions without warranty. Past performance is no guarantee of future results.