VIETNAM ENTERPRISE INVESTMENTS LIMITED (VEIL)

DRAGON CAPITAL

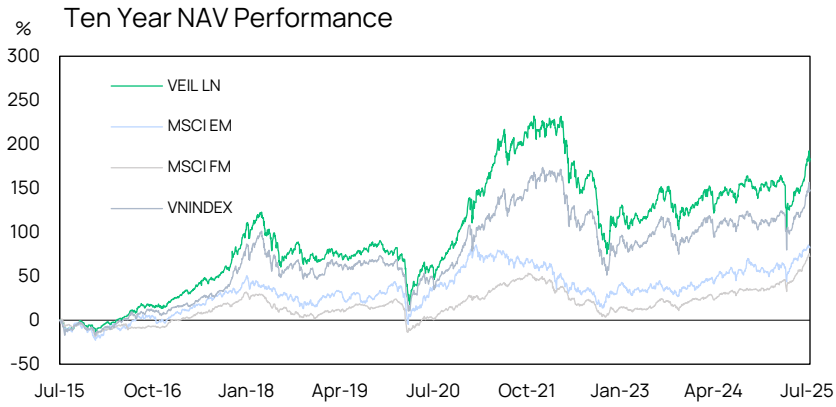
July 2025

Tuan Le
Lead Portfolio Manager

At a Glance

- VEIL's NAV rose 9.5% in July, outperforming the VNI by 0.6%, as the market posted its strongest gain in two years on foreign inflows and bullish retail sentiment.
- Our banks, residential real estate, and brokers led on higher credit growth, clearer earnings visibility, record trading value, and potential FTSE EM upgrade.
- We maintain high-conviction positions and continue to seek cyclical and reform-driven growth opportunities.

Ten Year NAV Performance



Performance (%)

All reporting on this page is in total return US dollar terms to the last business day in Vietnam unless otherwise stated

	Net Assets / Market Cap	NAV/share	Disc/Prem	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
VEIL NAV (USD)	$1,848.6mn	$10.75	N/A	10.5	9.5	23.4	15.6	12.1	89.6	182.9
VNI (Reference Index)	N/A	N/A	N/A	16.4	8.9	22.5	17.8	16.8	80.6	147.6
VEIL Share Price (GBP)	$1,582.1mn*	£6.95	-14.41	13.6	13.9	33.7	21.7	5.3	75.9	257.22
VEIL Share Price (USD)	£1,195.1mn*	$9.11	-15.30	18.9	9.0	30.8	24.2	13.4	75.7	199.67

**Market capitalisation*

Past performance cannot be relied upon as a guide to future performance

Fund Commentary

July marked a decisive rebound for VEIL, with active sector reallocations driving a 9.5% NAV gain to finish 0.6% ahead of the VNI. Performance was led by overweight positions in banks (+3.9% attribution), residential real estate (+2.3%), and brokerages (+1.4%). Banks benefited from accelerating credit growth and stronger-than-expected Q2 earnings, with asset quality stabilising as NPLs peaked. We increased exposure to brokerages, which rallied on record-high market turnover and heightened expectations of a FTSE EM upgrade as early as October, potentially unlocking around $1.5bn in passive inflows, with operational leverage amplifying gains in a higher liquidity environment. In residential real estate, we recycled capital from retail and IT into higher-conviction names, reflecting stronger earnings visibility for developers. We also rotated into under-owned leaders to capture valuation upside, while taking profits in select outperformers to manage risk and preserve cash buffers for new opportunities should they arise.

Several near-term catalysts could sustain momentum. The FTSE EM review should keep Vietnam on global investor radars, while Q3 earnings season is likely to confirm earnings resilience in our top holdings. Our overweight in banks positions us to benefit from continued credit expansion, and our infrastructure holdings are aligned with accelerating public investment disbursements. Our consumer and digital exposure should benefit from rising disposable incomes, a trend we see strengthening into 2026. The portfolio is positioned to capture both cyclical upside and long-term reform-driven growth. Our bias toward liquid large caps provides flexibility to act decisively if macroeconomic or policy shifts create dislocations, while selective mid-cap exposure offers potential for outsized returns as market breadth improves, a balance we believe captures opportunities while maintaining disciplined downside protection.

Stock in Focus: Sacombank (STB)

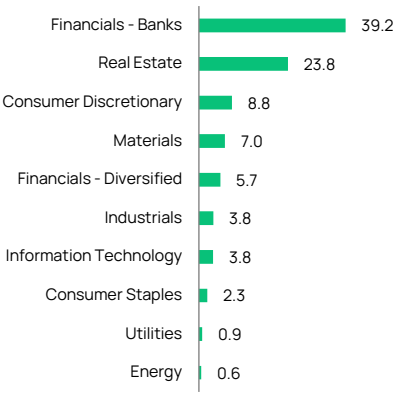
Founded in 1991, STB is one of Vietnam's leading private commercial banks, with a market cap of $3.6bn. Known for its extensive branch network and strong retail and SME lending focus, it is well placed to benefit from structural growth in domestic consumption and credit demand. In 1H25, STB posted total operating income of $599mn (+11.0% YoY) and PBT of $282mn (+37.2% YoY), meeting expectations at 48% and 46% of FY25 forecasts. Net interest margin slipped to 3.6% in 1H25 due to competition but should rebound in 2H25 as credit demand recovers. Asset quality was stable with the NPL ratio improving to 2.5% and loan loss reserve coverage at 75.4%.

STB expects to complete its restructuring in 2025. Two major catalysts could drive substantial upside: the recovery of bad debt from Phong Phu Industrial Park, which could unlock a $242mn provision reversal and lift FY25 profit by up to 65% YoY, and the auction of STB's 32.5% VAMC stake (legacy bad debt transferred to the state asset manager), which could add up to $577mn to book value, about 25% of current equity. Completion of these legacy issues and resumption of dividend payments would mark the end of STB's restructuring and the beginning of a new growth era, unlocking further value for shareholders. STB trades at 1.4x FY25 PB and 8.0x PE, with ROE of 19.7%. FY25 EPS growth is forecast at 62.9%.

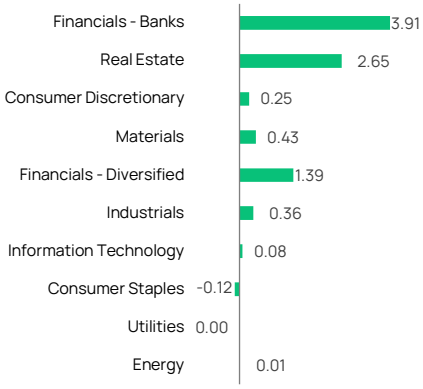
Top Ten Holdings (52.1% of AUM)

Company	Ticker	Sector	VEIL (%)	VNI (%)	MoM (%)
Vinhomes	VHM	Real Estate	8.0	5.7	17.0
Mobile World	MWG	Consumer Disc.	6.5	1.5	0.8
Techcombank	TCB	Financials (Banks)	5.6	3.7	-0.9
VP Bank	VPB	Financials (Banks)	5.2	3.2	39.0
Vietcombank	VCB	Financials (Banks)	5.1	7.8	5.3
Vietinbank	CTG	Financials (Banks)	4.9	3.8	9.2
BIDV	BID	Financials (Banks)	4.7	4.1	3.9
Sacombank	STB	Financials (Banks)	4.2	1.5	6.6
Hoa Phat Group	HPG	Materials	4.0	3.0	9.6
FPT Corporation	FPT	Information Technology	4.0	2.7	0.9

Sector Breakdown



Monthly Contribution



Key Indicators

Item	Unit	2020	2021	2022	2023	2024E	2025F
GDP	$bn	346.6	366.1	408.8	430.0	476.3	529.5
Real GDP Growth	%	2.9	2.6	8.0	5.1	7.1	8.0
Services Growth	%	2.5	1.2	10.0	6.9	7.4	8.9
Agriculture Growth	%	2.8	2.9	3.4	2.6	3.3	5.5
Ind'l and Const'n Growth	%	3.3	4.1	7.8	3.5	8.3	8.7
Retail Sales Growth	%	2.6	-3.8	10.2	8.3	9.0	9.4
Prices							
CPI (Average YoY)	%	3.2	1.8	3.2	3.3	3.6	4.2
Money, FX and Interest Rates							
Money Supply M2	%	14.5	8.9	6.2	12.5	12.7	14.5
Average Lending Rate	%	8.6	8.5	13.7	8.7	8.4	8.4
5-yr VGB	%	1.1	0.9	4.7	1.6	1.4	1.9
VND : $	$1	23,085	22,800	23,550	24,250	25,450	26,500
External Sector							
Trade Balance	$bn	19.9	3.3	12.4	28.0	24.4	18.8
Current Account	$bn	15.1	-7.8	-1.5	17.4	20.7	14.6
Current Account / GDP	%	4.3	-2.1	-0.4	4.0	4.4	2.8
FDI Registered	$bn	28.5	38.5	27.7	36.6	35.0	31.0
FDI Disbursement	$bn	20.0	19.8	22.4	23.2	25.4	23.1
FX Reserves	$bn	98.0	106.5	85.0	89.0	80.0	75.0
Public Debt Fiscal Balance							
External Debt	$bn	130.1	138.8	141.2	138.0	140.3	151.0
Government	$bn	49.0	47.9	48.8	44.4	44.5	47.8
Enterprises (incl. FDI)	$bn	81.1	90.9	92.4	93.6	95.8	103.2
External Debt (% GDP)	%	37.5	37.9	34.5	30.3	30.3	30.1
Fiscal Balance (% GDP)	%	-3.9	-4.0	-4.0	-3.6	-3.6	-4.2

All forecasts are Dragon Capital estimates

Key Stock Market Data

	HSX		HNX		UPCoM		Total	
	31-Jul-24	31-Jul-25	31-Jul-24	31-Jul-25	31-Jul-24	31-Jul-25	31-Jul-24	31-Jul-25
Market cap ($m)	202,675	247,777	13,013	15,463	59,228	55,052	274,915	318,293
Number of stocks	395	390	314	305	876	888	1,585	1,583
Number of large cap stocks (> $400m)	71	81	10	13	18	20	99	114
Stocks with no room for foreigners	59	66	93	101	262	288	414	455
Market cap of stocks with no room ($m)	17,181	34,864	1,904	2,678	20,749	21,414	39,834	58,955
Share of Market Cap with No Room (%)	8.5	14.1	14.6	17.3	35.0	38.9	14.5	18.5

Top 25 Companies by Market Cap

No	Company	31-Jul Price (VND)	Price YTD (%)	Mkt Cap ($m)	Wt in VNI (%)	PER			PBV			Yield		
						2024 (x)	2025E (x)	2026E (x)	2024 (x)	2025E (x)	2026E (x)	2024 (%)	2025E (%)	2026E (%)
1	Vietcombank	60,200	-1.3	19,196	7.80	17.3	15.8	14.2	2.6	2.2	1.9	-	-	-
2	Vingroup	105,500	160.2	15,395	6.20	13.0	34.5	34.2	1.1	2.7	2.5	0.4	-	-
3	Vinhomes	90,000	125.0	14,107	5.70	5.2	9.3	8.1	0.8	1.5	1.3	0.4	-	-
4	BIDV	37,850	0.8	10,142	4.10	13.5	12.7	11.2	1.9	1.6	1.4	-	-	-
5	Vietinbank	45,900	21.4	9,406	3.80	8.9	9.1	7.8	1.4	1.4	1.2	-	-	-
6	Techcombank	34,000	37.9	9,167	3.70	8.4	10.2	8.3	1.2	1.5	1.3	3.0	2.0	2.5
7	Airports Corporation VN	100,300	-20.3	8,332	-	29.1	22.8	20.4	4.6	3.0	2.6	-	-	-
8	VP Bank	25,800	38.0	7,812	3.20	9.4	10.7	8.5	1.0	1.2	1.1	5.2	2.8	3.5
9	Hoa Phat Group	24,950	12.3	7,308	3.00	14.2	11.7	8.8	1.5	1.5	1.3	-	1.7	1.7
10	FPT	104,000	-20.9	6,761	2.70	31.0	21.0	17.6	7.5	5.0	4.2	1.5	2.2	2.5
11	MB Bank	27,450	25.8	6,392	2.60	6.1	6.6	5.5	1.2	1.2	1.0	2.1	-	-
12	PV Gas	67,700	-0.6	6,053	2.40	15.7	15.0	14.7	2.6	2.5	2.4	8.7	5.2	5.2
13	Vinamilk	61,200	-0.1	4,881	2.00	15.2	16.7	15.9	4.0	4.1	4.3	6.2	7.1	7.1
14	Asia Commercial Bank	23,000	6.7	4,509	1.80	6.7	6.7	5.8	1.3	1.2	1.0	3.4	1.5	1.7
15	Masan Consumer	105,100	-40.2	4,238	-	23.2	14.2	13.0	16.9	6.4	5.3	12.4	4.3	4.3
16	Masan Group	72,500	3.6	3,980	1.60	50.4	27.6	21.8	3.3	3.1	2.7	1.7	1.7	1.7
17	LienViet Post Bank	34,200	17.5	3,899	1.60	8.9	11.0	10.0	2.0	2.0	1.7	-	-	-
18	Vietnam Airlines	32,800	45.3	3,898	1.60	8.4	11.1	13.1	neg	12.4	6.7	0.4	-	-
19	Mobile World Group	65,300	8.6	3,684	1.50	23.6	16.2	12.3	3.2	3.0	2.5	0.8	1.5	1.6
20	Sacombank	49,950	35.4	3,594	1.50	6.9	7.8	6.4	1.3	1.4	1.2	-	-	-
21	HD Bank	26,450	3.7	3,528	1.40	7.0	6.1	5.1	1.6	1.3	1.1	3.3	-	-
22	Becamex IDC	71,700	1.1	2,832	1.10	33.6	37.2	34.3	3.7	4.3	3.7	1.4	-	-
23	Vietjet Air	121,200	21.2	2,736	1.00	38.6	47.8	45.0	3.2	3.7	3.4	0.1	-	-
24	SSI	34,200	31.3	2,574	1.00	18.4	21.1	18.1	1.9	2.3	2.1	3.0	-	-
25	VIB	19,400	16.7	2,520	1.00	8.1	8.4	7.2	1.3	1.4	1.2	5.4	-	-

All forecasts are Dragon Capital estimates

Fund	Bloomberg	ISIN	LEI	SEDOL	CUSIP	Listed
VEIL	VEIL LN (GBP)	KYG9361H1092	213800SYT3T4AGEVW864	BD9X204	G9361H109	London (Main Market)
VEIL	VEID LN (USD)	KYG9361H1092	213800SYT3T4AGEVW864	BP4YTQ1	G9361H109	London (Main Market)

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