# Lumen Vietnam Fund – Monthly Comment June 2026

*Aerial view of Cau Rong (Dragon Bridge) in Da Nang*

## General Comments

In June, the Lumen Vietnam Fund (LVF) retreated slightly by -1.14% in USD for Class R, bringing the year-to-date performance to +3.65%. For comparison purpose, the Vietnam All Share Index (VNAS) gained +0.29% month-to-date and achieved +0.58% year-to-date in terms of USD.

### Asset Class Performance in June 2026

| | June | 2Q 2026 | YTD |
|---|---|---|---|
| Bloomberg US Treasury | 0.3% | 0.3% | 0.3% |
| Bloomberg Pan-European Aggr. | 0.4% | 2.0% | 1.3% |
| Bloomberg US Credit | 0.2% | 1.3% | 0.8% |
| Bloomberg Euro Aggr. Corp. | 0.4% | 2.3% | 1.3% |
| ICE BofA US High Yield | 0.2% | 2.5% | 1.9% |
| ICE BofA Euro High Yield Index | 0.6% | 3.7% | 1.9% |
| MSCI AC World (USD) | 0.0% | 15.3% | 12.4% |
| S&P 500 | -1.0% | 15.2% | 10.2% |
| MSCI EMU | 4.2% | 15.8% | 13.1% |

| | | | |
|---|---|---|---|
| MSCI Switzerland | 5.0% | 13.2% | 10.4% |
| MSCI UK | 0.7% | 3.4% | 7.6% |
| MSCI Japan | 1.8% | 16.7% | 20.2% |
| MSCI EM (USD) | -1.4% | 24.1% | 24.0% |
| MSCI China | -6.9% | -6.8% | -14.8% |
| Gold – spot | -11.8% | -13.5% | -7.3% |

## Lumen Vietnam Fund - Portfolio Comments

June was marked by continued gains in Vietnamese equities, but beneath the headline index, performance remained highly differentiated across sectors and individual stocks. This dispersion was also reflected within the portfolio, where the strongest performance came from Industrials, Financials and Consumer Discretionary.

- **The Industrials** sector delivered the strongest portfolio performance, gaining 7.1% during the month, with contributions from power and infrastructure, aviation, and ports and logistics. Gains across key holdings were supported by a favorable combination of lower oil prices, expanding transport connectivity and capacity, and stronger expectations for investment-lead demand and trade growth. Positive business expansion developments further reinforced expectations for future revenue and earnings growth. While the underlying catalysts varied across individual holdings, together they pointed to improving growth prospects across a broad range of activities within Vietnam's industrial economy.
- **The Financials** sector also contributed positively to the portfolio performance, gaining 0.9% during the month. Several banks within the portfolio attracted increased investor interest amid active transactions involving major shareholders and moves to increase ownership stakes, reinforcing confidence in their longer-term prospects. This company-specific momentum was complemented by a more supportive policy backdrop, as government efforts to maintain monetary flexibility and improve system liquidity helped ease concerns over funding conditions and upward pressure on deposit rates. Together, these developments supported sentiment towards the portfolio's banking exposure.
- **The Consumer Discretionary** sector posted a steady gain (0.4%). Market sentiment within the sector rebounded favorably on the anticipated easing of global geopolitical tensions, which is expected to lower energy prices, alleviate inflationary pressures on household budgets, and gradually restore consumer purchasing power. Key portfolio holdings in this sector demonstrated resilient performance, backed by robust year-to-date revenue growth and strong foreign institutional buying. The earnings outlook remained positive, supported by seasonal demand upticks and management expectations of continued operational momentum in the upcoming quarters.

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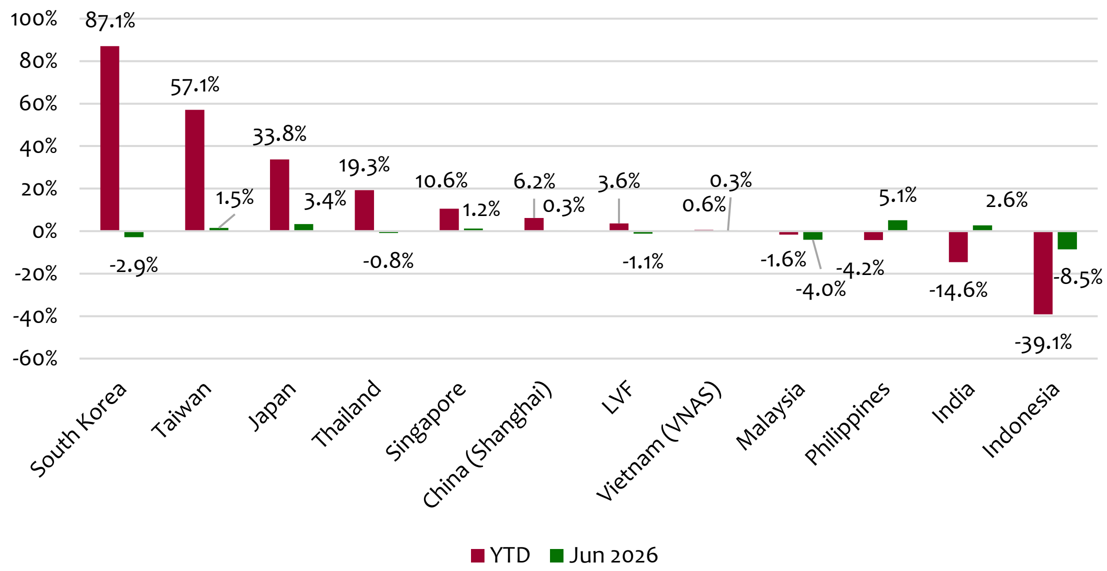
Overall, June 2026 demonstrated the market's responsiveness to both domestic policy support and easing international tensions. In an environment where conditions are evolving rapidly and the longer-term outlook remains difficult to predict, LVF continues to pursue a diversified investment strategy, combining prudence with flexibility in both stock selection and the timing of capital deployment. This approach allows the fund to adapt as market conditions evolve while seeking to optimize investment returns.

## Lumen Vietnam Fund – Market Comment and Portfolio Outlook

The Vietnamese equity market concluded the first half of 2026 on a more resilient note than many had expected, with the VNAS index remaining broadly unchanged at +0.6% year-to-date despite an uncertain global macroeconomic and geopolitical backdrop. In June, average daily trading value declined by 31.9% month-on-month to USD 566.3mn, while cumulative foreign net selling reached USD 2.9bn amid broader capital outflows across the Asia-Pacific region. Nevertheless, the VN Index continued to consolidate near its historical highs, highlighting the resilience of domestic liquidity.

**Figure 1: LVF's performance vs Vietnam and other Asian markets**




*Source: Bloomberg, VNHAM compilation as of 30 June 2026*

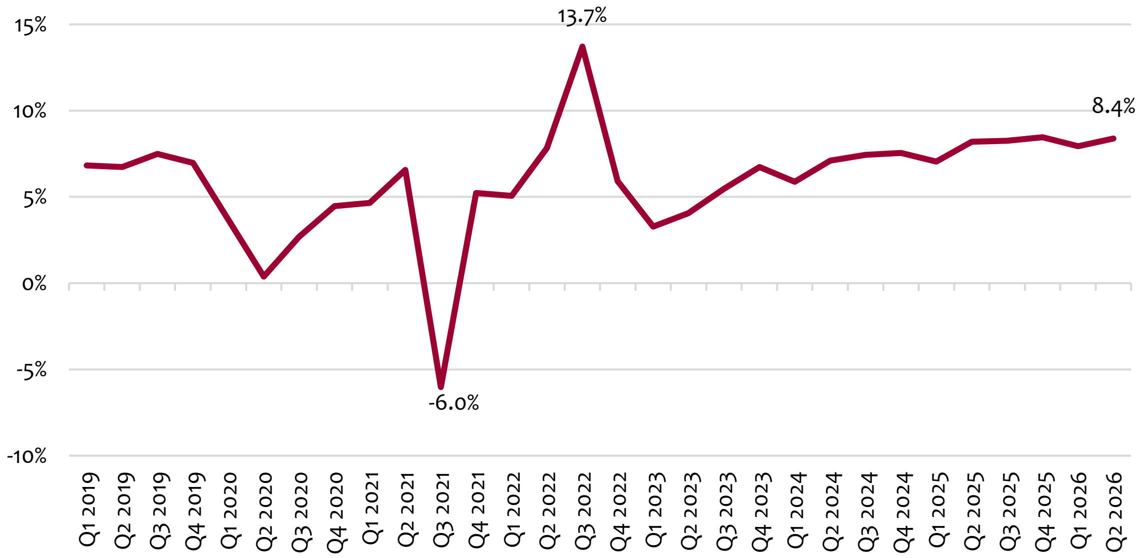
It is worth noting, however, that market gains remained concentrated in a small number of large-cap stocks, particularly the Vingroup ecosystem. This concentration partly masked the fact that most other sectors remained in a consolidation phase. Encouragingly, we have observed early signs of improvement in the underlying quality of the market compared with recent months. Market breadth has gradually become more balanced, with capital beginning to spread across a wider range of sectors rather than remaining concentrated in only a handful of market leaders, although overall liquidity has yet to recover meaningfully.

Looking ahead, we believe the market is entering a phase in which macroeconomic fundamentals and policy implementation will gradually become more important drivers than short-term market sentiment. At present, the key challenge lies not in corporate earnings prospects but in market liquidity. While many listed companies continue to deliver encouraging earnings growth, trading activity remains subdued, reflecting investors' cautious positioning. As such, a more sustainable market uptrend will likely require a meaningful improvement in liquidity rather than relying solely on isolated positive news flow.

On the other hand, several supportive fundamentals are gradually falling into place.

Vietnam's economic momentum strengthened further in the second quarter, with real GDP growth reaching 8.39% YoY and lifting first-half growth to 8.18%. The strength was increasingly broad-based, with industrial production rising 12.7% YoY and retail sales growing 14.8% in June, alongside a sharp acceleration in public investment, strong FDI inflows and credit growth reaching 7.4% YTD. Although the persistent trade deficit remains an area to monitor, the rapid increase in imports appears to be driven largely by stronger demand for investment and production input. The expansion of growth across multiple parts of the economy should support corporate earnings in the coming time.

**Figure 2: Vietnam's quarterly GDP growth**




*Source: Vietnam National Statistics Office (NSO), VNHAM compilation as of 30 June 2026*

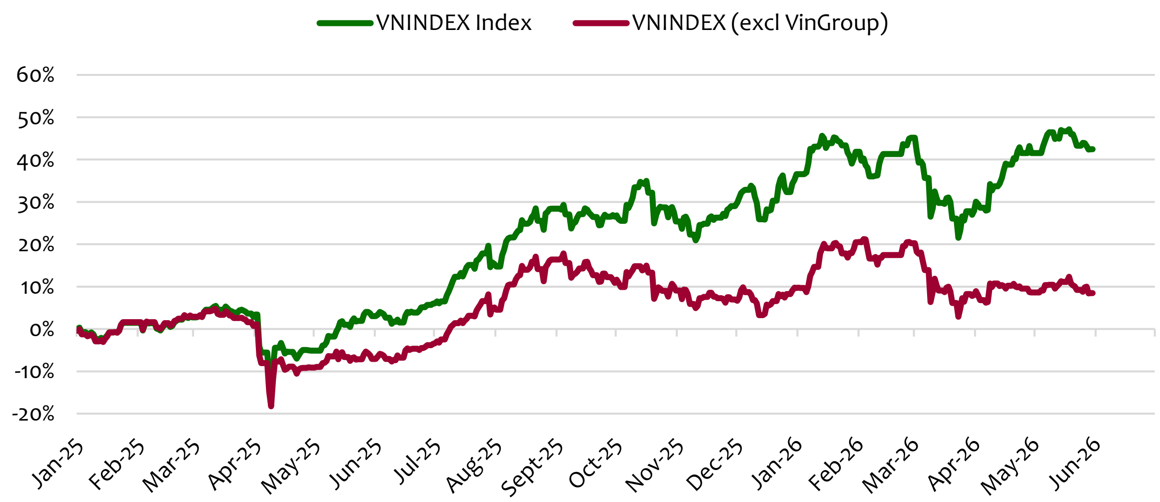
Beyond the strength of the current economic cycle, the government's structural reform agenda is entering a more implementation-oriented phase. From administrative reforms and greater decentralization to amendments to the Land Law and a renewed focus on attracting higher-quality foreign direct investment, policy initiatives are increasingly aimed at improving resource allocation and enhancing long-term growth potential rather than simply expanding economic scale. Although these reforms will take time to fully translate into economic activity, they provide an important foundation for Vietnam's next phase of sustainable growth.

Against this backdrop, we believe the current market is creating an increasingly attractive opportunity for long-term investors. While share price performance has remained concentrated in a limited number of large-cap stocks, corporate earnings growth has become much broader across sectors. This divergence has left many fundamentally strong companies with resilient balance sheets, healthy cash generation, and clear earnings visibility still trading at compelling valuations.

**Figure 3: Vietnam equity market valuation**


*Source: Bloomberg, VNHAM compilation as of 30 June 2026*

**Figure 4: VN-Index performance**




*Source: Bloomberg, VNHAM compilation as of 30 June 2026*

**Figure 5: Earnings Growth in 1Q2026 and Forecasts for 2026, 2027**

| Sector | % Earnings Contribution | 1Q2026 YoY | 2021-2025 Avr. YoY | 2026F YoY | 2027F YoY |
|---|---|---|---|---|---|
| Financials | 47.5% | 13.3% | 22.3% | 16.9% | 16.8% |
| *Banks* | *42.5%* | *11.6%* | *21.3%* | *16.3%* | *16.8%* |
| Real Estate | 23.3% | 197.6% | 11.3% | 17.3% | 17.0% |
| Consumer Staples | 4.7% | 72.7% | 6.5% | 37.3% | 21.5% |
| Materials | 8.8% | 99.7% | 22.2% | 42.8% | 20.4% |
| Industrials | 6.7% | 25.8% | 110.3% | -8.1% | 12.4% |
| Utilities | 3.9% | 42.6% | 14.0% | 10.3% | 19.3% |
| Consumer Discretionary | 3.1% | 76.0% | 24.5% | 23.7% | 14.7% |
| Information Technology | 1.7% | 2.1% | 21.7% | 13.9% | 14.1% |
| Energy | 0.0% | -105.1% | 27.5% | 2.3% | 12.3% |
| Health Care | 0.4% | 5.6% | 4.4% | na | na |
| Communication Services | 0.0% | -51.1% | 4.5% | na | na |
| **Total** | **100.0%** | **49.8%** | **17.7%** | **17.2%** | **17.0%** |

*Source: FiinPro, VNHAM, forecasted growth based on top 100 companies by market cap*

## Lumen Vietnam Fund – Portfolio Outlook

For Lumen Vietnam Fund, we continue to adopt a disciplined yet opportunistic investment approach. Rather than pursuing stocks driven primarily by short-term market momentum, we remain focused on identifying businesses with sustainable competitive advantages, durable earnings growth, and attractive valuations. We strongly believe these companies are well positioned to benefit as macro conditions continue to improve and market liquidity gradually normalizes.

Accordingly, we see the current environment as a period of accumulation rather than a sign of structural weakness. While external uncertainties may continue to generate short-term volatility, our conviction in the medium- and long-term outlook for the Vietnamese equity market remains unchanged. We will continue to deploy capital patiently, taking advantage of opportunities where the long-term risk-reward profile remains particularly attractive. The key sectors of focus are:

- **Financial Sector:** We favor companies with strong asset quality, reasonable valuations, and good access to capital, positioning them to benefit from the next phase of stronger economic growth.
- **Real Estate Sector:** The high-interest rate environment has brought many stocks in the sector back to attractive valuation levels. The sector should also benefit significantly from the government's accelerated infrastructure investment. We favor companies that can deliver products well aligned with market demand, supported by strong financial foundations and effective sales strategies.
- **Consumer Discretionary and Consumer Staples Sectors:** The consumer sector has shown signs of recovery in recent quarters. Government efforts to reduce taxes, contain

inflation and increase household disposable income are expected to become more visible in the coming quarters, particularly as lower oil prices ease inflation concerns. We favor companies with strong R&D capabilities and financial resources, enabling them to introduce new products that keep pace with evolving consumer trends. Their ability to gain market share in recent periods provides evidence of this competitive strength.

- **Energy Sector:** This is one of the sectors undergoing the most significant restructuring, as demand continues to grow at double-digit rates while supply takes time to catch up. Vietnam is moving increasingly toward a more market-based framework through a series of reforms aimed at attracting both domestic and foreign investors. We believe this transition is creating attractive investment opportunities, particularly after many stocks have fallen 30–40% from their February 2026 levels, before the outbreak of the war in Iran.
- **Industrials Sector:** As oil supply stabilizes, economic activity is expected to accelerate, particularly in areas such as aviation and construction. We expect these segments to attract increasing investor interest in the coming period

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