Lumen Vietnam Fund – Monthly Comment July 2026

General Comments

During July, the Lumen Vietnam Fund (LVF) Class R experienced a -7.59% pullback in USD, bringing year-to-date performance to -4.22% in USD. This aligned closely with the broader market as the Vietnam All Share Index (VNAS) declined -7.44% for the month and -6.90% year-to-date. Notably, the fund continues to hold a solid performance advantage over its benchmark and peers on a year-to-date basis.

Asset Class Performance in July 2026

	July	2Q 2026	YTD
Bloomberg US Treasury	-1.1%	0.3%	-0.8%
Bloomberg Pan-European Aggr.	-1.3%	2.0%	-0.1%
Bloomberg US Credit	-1.6%	1.3%	-0.8%
Bloomberg Euro Aggr. Corp.	-1.0%	2.3%	0.4%
ICE BofA US High Yield	-0.6%	0.6%	1.5%
ICE BofA Euro High Yield Index	-0.7%	1.5%	1.4%
MSCI AC World (USD)	-0.3%	15.3%	12.1%
S&P 500	-0.1%	15.2%	10.1%
MSCI EMU	-0.5%	15.8%	12.5%
MSCI Switzerland	0.6%	13.2%	11.1%
MSCI UK	3.9%	3.4%	11.8%

Tödistrasse 63
8002 Zürich

Telefon
+41 44 521 66 50

Website
www.aquis-capital.com

Email
nguyen@aquis-capital.com

MSCI Japan	-1.0%	16.7%	19.0%
MSCI EM (USD)	-3.0%	24.1%	20.3%
MSCI China	8.9%	-6.8%	-7.1%
Gold – spot	0.5%	-13.5%	-6.8%
Brent - spot	10.3%	-7.1%	45.1%

Lumen Vietnam Fund - Portfolio Comments

July 2026 was a challenging month for Emerging Markets, especially for Vietnamese equities market, as broad-based selling pressure driven by weaker sentiment, persistent foreign outflows and margin-related deleveraging weighed on most sectors. Against this backdrop, LVF's portfolio also recorded a negative performance. Nevertheless, the investment thesis across our core holdings remains intact, with portfolio companies continuing to demonstrate resilient operating performance and healthy earnings momentum. Among the portfolio's sector allocations, **Industrials, Consumer Staples and Information Technology** were the most resilient during the month.

- The **Industrials** sector demonstrated notable resilience during the month with a negative performance of -0.66%. Although the broader equity market experienced a decline in July, the industrials segment effectively buffered the portfolio, recording only a very mild dip. This relative outperformance was significantly anchored by key holdings within the transportation and logistics segment. Within the portfolio, a leading port and logistics holding emerged as one of the top market performers, driven by the successful completion of a significant corporate restructuring and asset swap. This strategic transaction firmly reinforces the company's long-term strategic orientation to build a highly integrated ecosystem spanning seaport, shipping, and maritime industrial services.
- The **Consumer Staples** sector also demonstrated strong defensive characteristics during July's broader market pullback, limiting its overall decline to a modest -2.95%. This resilience was primarily driven by key large-cap consumer holdings within the portfolio, which continued to attract significant foreign capital inflows following the release of highly positive second-quarter earnings. Notably, one of the portfolio's core holdings emerged as a top target for foreign net buying after reporting robust double-digit top- and bottom-line growth for the first half of the year. These strong preliminary results comfortably exceeded expectations and signaled upside potential for full-year forecasts.
- Finally, the **Information Technology** sector declined by a relatively modest -4.37%, supported by resilient operating performance from our core technology holding. Sector sentiment was favorably bolstered by a late-month rally in global Big Tech, as strong earnings in cloud and software outweighed earlier valuation concerns.

Overall, July was a challenging month for the Vietnamese equity market, and LVF's portfolio was not immune to the broader downward pressure. While our performance closely mirrored the market's overall correction, the resilient fundamentals and strong earnings visibility of our core holdings reinforce our confidence in the fund's underlying strategy. We remain disciplined and vigilant amidst ongoing global uncertainties, thoughtfully positioning the portfolio to capture sustainable, long-term growth as domestic economic drivers and supportive policies continue to unfold.

Lumen Vietnam Fund – Market Comment and Portfolio Outlook

Vietnam equity market correction appears disconnected from fundamentals

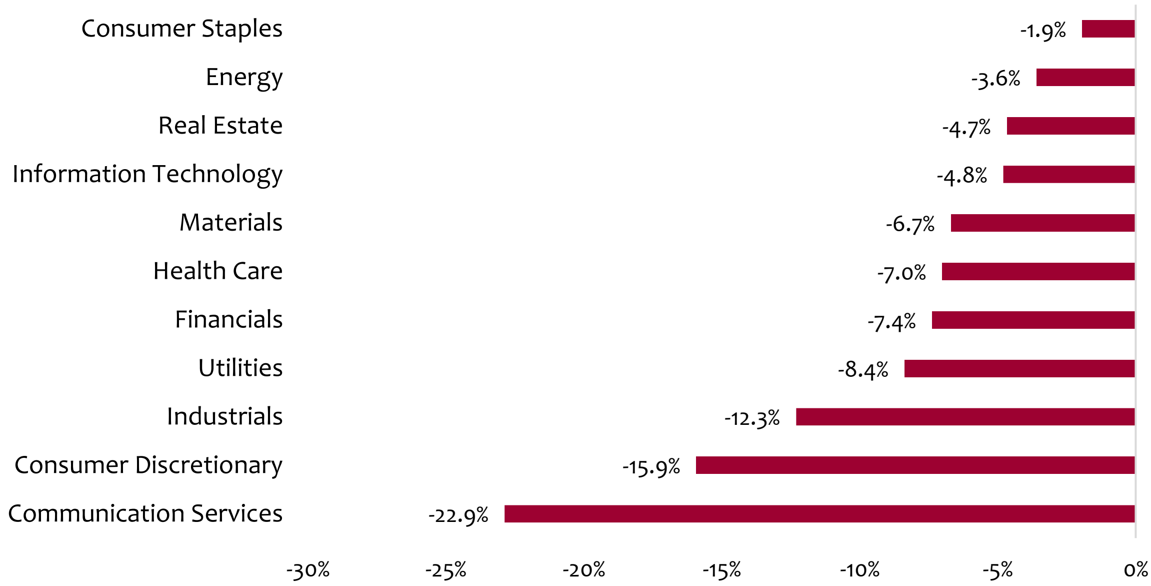
In July, Vietnam's equity market declined -7.4% in USD terms, making it one of the weakest Asian markets despite having one of Asia's strongest macroeconomic outlooks. While technology-driven markets such as Japan (-6.2%), Taiwan (-7.8%) and South Korea (-16.2%) also recorded sharp corrections, those pullbacks largely reflected profit-taking after exceptional year-to-date gains of +25 to +57%, fuelled by the global AI and semiconductor investment cycle. Vietnam, by contrast, was never a meaningful beneficiary of this AI-driven rally, yet experienced a similarly severe decline, suggesting that the recent sell-off was driven primarily by domestic liquidity pressures rather than any meaningful deterioration in the country's economic outlook.

Sector performance was characterised by a sharp sell-off in cyclical sectors, with Consumer Discretionary (-15.9%), Industrials (-12.3%) and Communication Services (-22.9%) posting the largest declines. Financials (-7.4%) and Real Estate (-4.7%) also weakened as concerns over banking system liquidity and the VinGroup complex weighed on sentiment. In contrast, defensive sectors including Consumer Staples (-1.9%) and Energy (-3.6%) outperformed the broader market.

What initially began as weakness in a handful of large-cap sectors gradually evolved into a liquidity-driven market sell-off. Elevated margin financing accumulated during the first half of the year amplified downside pressure as falling share prices triggered widespread margin calls and indiscriminate selling, including among fundamentally sound companies. Consequently, share prices became increasingly disconnected from underlying economic and corporate fundamentals.

The breadth of the recent correction further illustrates the disconnect between market performance and economic fundamentals. Among the 300 constituents of the Vietnam All Share Index (VNAS), 216 companies are trading within 30% of their respective 200-day lows, while 185 companies remain below their June 2025 price levels, despite the market's rally over the past year. This suggests that selling pressure has extended well beyond sectors facing genuine fundamental challenges.

Figure 1: VNAS Sector Performance in Jul 2026



Source: Bloomberg, VNHAM compilation as of 31 Jul 2026

Encouragingly, selling pressure appears to be easing. Average daily trading value across the three exchanges increased 5.3% month-on-month to USD596mm, while net foreign outflows narrowed to USD444.5mm, the lowest monthly outflow in recent months. The sharp rebound following the VN Index's brief break below the 1,600 - 1,660 support zone, together with renewed insider share purchase registrations and early stabilization in foreign ETF flows, suggests that forced-selling pressure has largely subsided. While it remains premature to conclude that the market has fully bottomed, recent developments indicate that market sentiment is gradually stabilising.

Despite recent market volatility, Vietnam continues to offer one of the strongest macroeconomic backdrops in Asia. The IMF projects 7.1% GDP growth for 2026, while several domestic research houses forecast growth to approach 8.5%, supported by accelerated public investment, resilient domestic consumption, expanding industrial production and sustained FDI inflows. Government debt remains among the lowest in the region at 29.8% of GDP, while inflation remains well contained, providing policymakers with greater flexibility than many regional peers.

Looking ahead: Fundamentals remain supportive as market conditions gradually improve

Although near-term volatility is likely to persist, we believe conditions are gradually becoming more supportive for Vietnamese equities as cyclical headwinds begin to ease while structural growth drivers remain firmly intact.

Figure 2: Comparisons between Vietnam stock market performance and macro indicators versus other Asian countries/regions, United States and Eurozone

	YTD Perf.	Jul 26 Perf	TTM PE	26F GDP Growth	26F Govt. Debt to GDP	CPI Jun 26 (% yoy)
Vietnam	-6.9%	-7.4%	12.3	7.1%	29.8%	4.7%
Indonesia	-33.1%	9.9%	14.9	5.0%	41.5%	3.3%
India	-13.6%	1.2%	21.5	6.5%	83.4%	4.4%
Philippines	-0.9%	3.4%	9.5	4.1%	60.2%	6.4%
China	-0.1%	-5.9%	19.1	4.4%	106.9%	1.0%
Malaysia	2.0%	3.6%	14.8	4.7%	69.5%	1.9%
Eurozone	7.4%	0.6%	18.4	1.1%	87.8%	2.8%
United States	9.4%	-0.1%	27.6	2.3%	125.8%	3.5%
Thailand	21.1%	1.5%	17.1	1.5%	66.8%	2.4%
Singapore	21.5%	9.8%	14.2	3.5%	171.9%	1.9%
Japan	25.4%	-6.2%	23.4	0.7%	204.4%	1.7%
Taiwan	44.8%	-7.8%	29.7	5.2%	27.6%	2.6%
South Korea	56.7%	-16.2%	18.1	1.9%	54.4%	3.2%

Source: Bloomberg, International Monetary Fund (IMF), VNHAM compilation as of 31 Jul 2026. Note: The stock indices used in the table are as follows: VN Allshare Index (Vietnam), JCI (Indonesia), Sensex (India), PCOMP (Philippines), SHCOMP (China), FBMKLCI (Malaysia), EURO STOXX (Eurozone), S&P500 (United States), SET (Thailand), STI (Singapore), Nikkei (Japan), TWSE (Taiwan), KOSPI (South Korea). TTM PE is trailing 12-month PE as of 31 Jul 2026. 26F GDP growth rate and 26F Government debt to GDP are from the latest World Economic Outlook of IMF.

From a market perspective, liquidity conditions have started to improve following July's deleverage. Margin-driven selling has largely subsided, foreign investors have significantly reduced the pace of net selling, and the Fubon FTSE Vietnam ETF recorded its first net subscription after more than five consecutive months without new fund creation. While these developments are still at an early stage, they suggest that investor sentiment is becoming more balanced and downside pressure is gradually easing.

At the same time, Vietnam's medium-term growth outlook remains well supported by several structural drivers. The government continues to prioritize high economic growth through accelerated public infrastructure investment, stronger private-sector development and expanding manufacturing activity. FDI inflows remain robust in both registered and disbursed capital, while exports continue to demonstrate resilience despite an uncertain global trade environment, reinforcing Vietnam's position as a key regional manufacturing hub.

Policy reforms provide an additional layer of support. Proposed amendments to real estate regulations are expected to accelerate project approvals and unlock new supply, while planned changes to bank liquidity regulations could meaningfully expand lending capacity without requiring further monetary easing. In parallel, Vietnam's official upgrade to FTSE Russell Secondary Emerging Market status is expected to attract incremental passive capital inflows from September 2026, broadening the country's long-term institutional investor base.

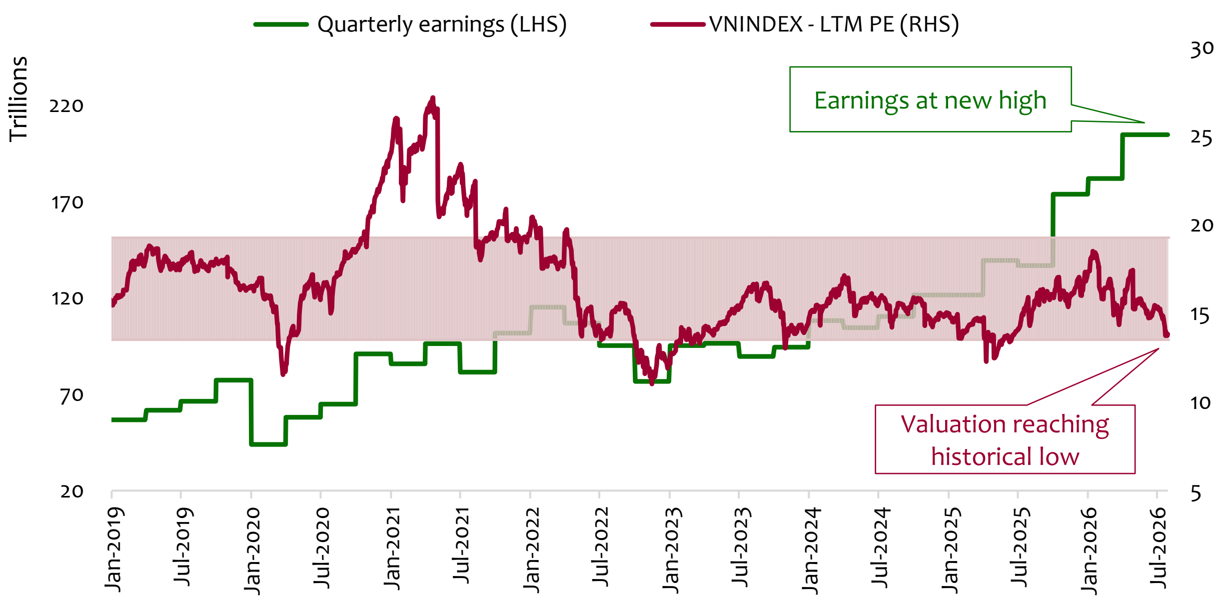
Taken together, easing liquidity pressures, improving foreign flow dynamics, supportive policy reforms and resilient macroeconomic fundamentals provide a more constructive backdrop for Vietnamese equities over the medium term. While short-term volatility cannot be ruled out, we believe the market is gradually transitioning from a liquidity-driven correction toward one where prices increasingly reconnect with underlying fundamentals.

The recent correction has also created increasingly attractive opportunities across a broad range of quality companies. We discuss the implications for corporate earnings and market valuations in greater detail in the following section.

Lumen Vietnam Fund – Strong Economic Growth Meets Low Valuation – Good Entry Point!

In contrast to the negative red across the stock market billboard, Vietnamese listed companies delivered green in the real economy, reporting surprisingly strong earnings. Aggregate earnings of all companies listed on the Ho Chi Minh Stock Exchange (HOSE) posted solid growth of 46.7% YoY, bringing earnings growth to 48.1% YoY in 1H2026. Previously, we expected earnings of HOSE-listed companies to advance by 18.0% YoY in 2026 and 16.7% YoY in 2027. However, reported 2Q2026 earnings came in stronger than both market consensus and our in-house forecasts. We are therefore in the process of reviewing and will most likely revise our earnings projections for 2026 and 2027 considering the recently released results.

Figure 3: Aggregate Quarterly Net profit of Listed Companies on HOSE



Source: FiinPro, VNHAM

While the earnings of listed companies continue to reach new highs, the valuation of the larger Vietnamese stock market - measured by the 12M trailing P/E - is trading around one standard deviation below its 10-year average. Once the trailing multiple incorporates the 2Q earnings results, it should fall further and become more attractive.

Notably, the valuation of the VN-Index is distorted by Vingroup (VIC), which accounts for approximately 18% of the VN-Index's total market capitalization yet contributes only around 2% of the total earnings of the companies included in the index. As a result, the valuation of the Index excluding VIC, as well as that of several individual Vietnamese listed companies, is in fact more attractive than the headline Index suggests.

Figure 4: Vietnam Equity Market Valuation

Source: Bloomberg

2Q2026 and 1H2026 Earnings Results and Outlook

Earnings growth was strong across all sectors except Industrials, where the two air carriers suffered from high fuel prices, offsetting the positive earnings growth of other members of the sector. Overall, the growth pattern and the winning sectors are in line with our expected earnings path for 2026 and 2027.

Banking Sector

While the banking sector has historically served as the primary engine of market earnings growth, it has recently emerged as a near-term drag on overall market momentum, driven by two key factors: (i) compressing profitability as net interest margins (NIMs) come under gradual pressure, and (ii) an accelerating divergence in performance, with smaller institutions underperforming and losing competitive advantage.

Figure 5: Earnings Growth in 1H2026 and Forecasts for 2026, 2027

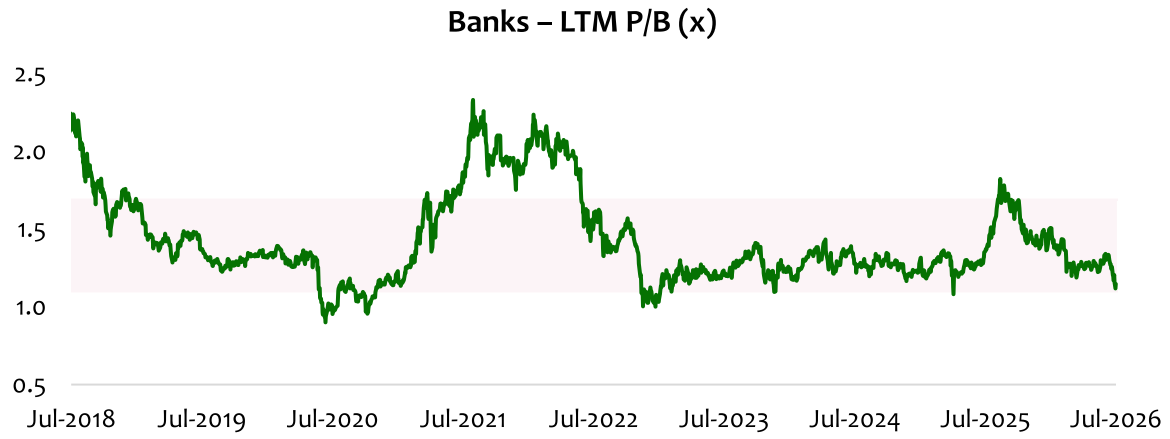
Sector	2Q2026 YoY	1H2026 YoY	% Earnings Contribution	2021-2025 Avr. y/y	2026F YoY	2027F YoY
Financials	26.0%	20.0%	53.4%	22.6%	16.8%	16.5%
Banks	*24.6%*	*18.4%*	*47.2%*	*21.5%*	*16.3%*	*16.8%*
Real Estate	231.2%	211.3%	21.5%	10.8%	22.6%	19.0%
Excl. Vin-related stocks	*29.1%*	*20.7%*	*2.3%*	*98.3%*	*17.0%*	*16.5%*
Consumer Staples	30.8%	36.9%	6.6%	6.8%	24.1%	26.8%
Materials	41.9%	64.3%	7.8%	21.5%	51.5%	8.0%
Industrials	-41.2%	-13.9%	4.4%	71.4%	-18.2%	25.7%
Utilities	55.2%	49.6%	6.9%	14.5%	9.4%	19.9%
Consumer Discretionary	76.3%	71.1%	3.7%	30.5%	37.2%	15.3%
Information Technology	22.8%	12.2%	1.7%	21.6%	13.3%	14.9%
Energy	294.3%	410.9%	6.2%	-314.4%	38.6%	-18.1%
Health Care	19.0%	12.2%	0.4%	4.4%	na	na
Total	**46.7%**	**48.1%**	**100.0%**	**18.7%**	**18.0%**	**16.7%**

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

The 1H2026 results reinforce our cautious structural outlook on the industry. Top-tier banks, which are well-positioned to capture rising capital demand as Vietnam enters its next phase of high growth, have posted strong earnings growth in 1H2026. All three banks among our top 10 holdings posted strong earnings growth, ahead of expectations: Vietcombank (VCB, +36.9% YoY), VietinBank (CTG, +36.9% YoY) and VPBank (VPB, +66.5% YoY).

Although the banking sector's valuation is levelling around its historical low, we expect earnings growth patterns and justified valuations across banks in the sector to polarize significantly; as a result, we believe passive index investment will not capture the full picture of development in the Vietnamese equity market.

Figure 6: Bank Sector Valuation – at Historical Low but Being Polarizing



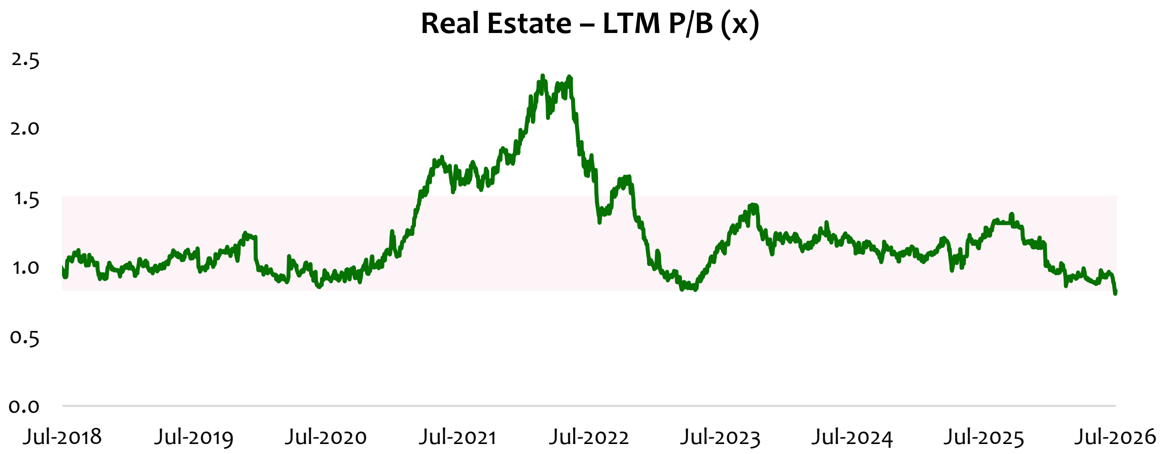
Source: Bloomberg

Real Estate

The real estate sector emerged as a headline driver of the broader market's strong 1H2026 performance, though results were highly fragmented across individual developers. The sector's share of aggregate HOSE earnings surged to 21.5% in 1H2026—up from a historical average of 14%—a spike propelled almost entirely by Vinhomes (VHM).

Looking ahead, a rising interest rate environment and tightening bank credit quotas for real estate continue to hinder the development of the real estate market, possibly for the foreseeable future. However, the playbook for this sector has also changed, from seeking capital gains to seeking value supported by attractive dividend yields. Notably, several real estate companies are trading around book value, hold solid cash positions on their balance sheets and offer attractive dividend yields. These companies also continued to post strong earnings growth in 1H2026, including PHR (+ 244.9% YoY), IDC (+ 37.4% YoY) and IJC (+ 33.2% YoY).

Figure 7: Real Estate Sector Valuation – A New Playbook



Source: Bloomberg

Consumer Staples and Discretionary

1H2026 marked a turning point for the earnings of consumer companies, with strong earnings growth from leading names such as Vinamilk (VNM, +38.4% YoY), Masan (MSN, + 206.6% YoY), Mobile World (MWG, + 88.4% YoY) – all of which are currently among our top holdings.

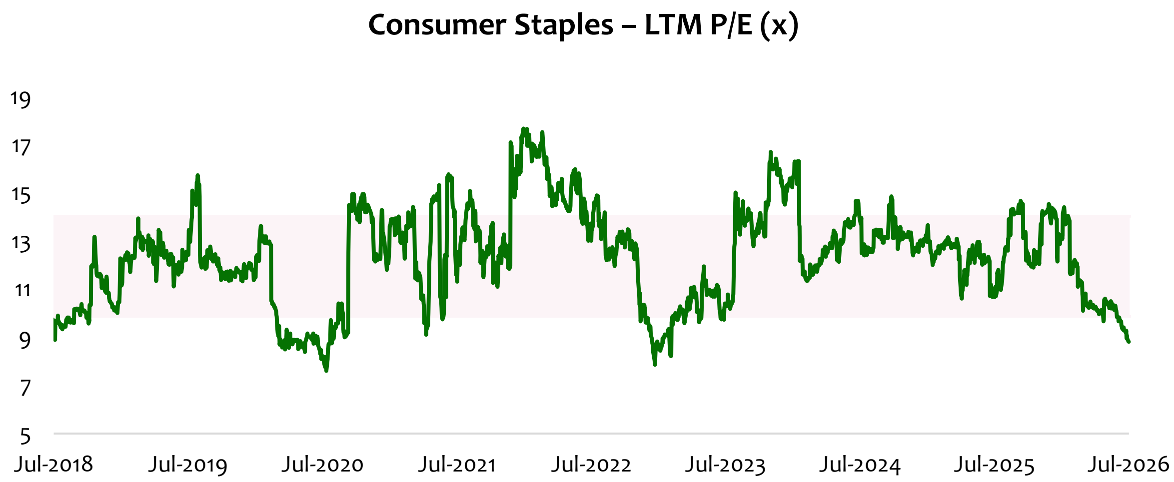
After several years of consolidation marked by weak general consumption and adaptation to new regulations in the retail and wholesale market, the positive results of the leading companies reaffirm our investment thesis of a positive long-term outlook for Vietnam's leading consumer companies.

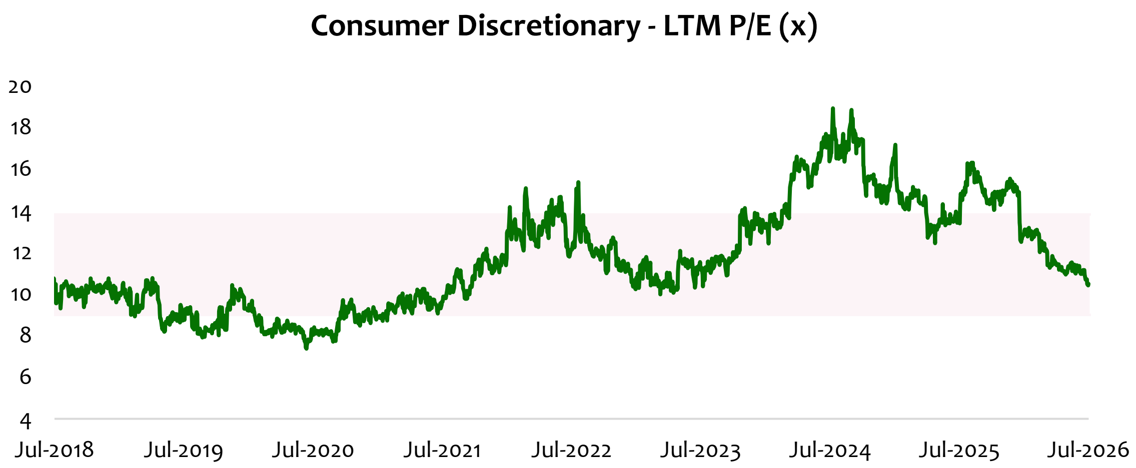
Materials

Over the past five years, the materials sector has outpaced the broader HOSE market, delivering an above-average corporate earnings growth rate. This robust performance was heavily concentrated in, and driven by, Hoa Phat Group (HPG). HPG's 1H2026 earnings grew

102.1% YoY, surpassing market consensus estimates, fueled by higher steel sales volumes, margin expansion within its core steel business and some one-off income in the reporting quarter.

Figure 8: Consumer Sector Valuation – A Clear Winning Path





Source: Bloomberg

Looking forward, HPG is well-positioned to capitalize on a substantial project backlog across both domestic infrastructure and real estate developments. Furthermore, the recent uptick in steel prices is expected to enhance profitability, giving stronger earnings results over the coming quarters.

Utilities and Energy Sectors

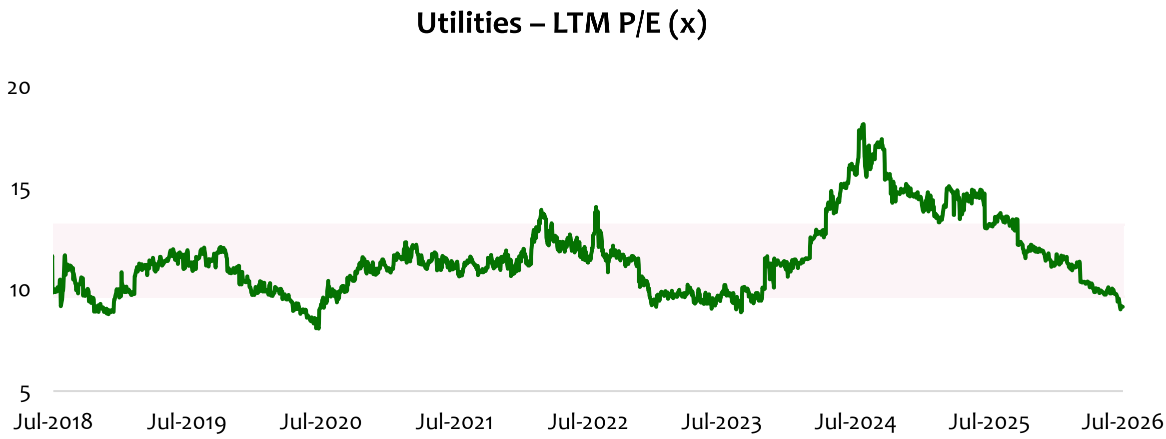
Vietnam's energy and utilities names delivered a strong 2Q2026, and in 1H2026 the gas distribution business, gas-fired power and tankers compounded bottom-line growth.

PetroVietnam Gas (GAS) remained the sector's earnings anchor. GAS reported 1H net profit growth of +17.2% YoY, with 2Q net profit increasing by 23.2% YoY.

Gas-fired power was the cleanest growth story. NT2's 1H net profit advanced 60.5% YoY and 2Q net profit expanded 23.5% YoY, while earnings visibility into the second half looks solid.

Shipping and fuel distribution added to the momentum. PVT's 1H net profit rose 72% YoY, while 2Q alone increased by 89% YoY, driven by higher benchmark leasing rates (up more than 50% YoY) and a 22% YoY larger fleet.

Figure 7: Utilities Sector Valuation



Source: Bloomberg