



Results analysis: Vietnam Enterprise Investments

VEIL is positioned to benefit from surging growth and far-reaching reforms in Vietnam.

Update
29 April 2026

- Vietnam Enterprise Investments (VEIL) has reported strong results for 2025 as the Vietnamese market rebounded despite short-term volatility surrounding US tariff announcements.
- The NAV total return was 24.5% in USD terms, or 15.9% in GBP, outperforming the two other Vietnam investment trusts by a wide margin, with both posting negative GBP returns. However, VEIL’s performance was behind the VNI benchmark which was up 38.8% in USD or 29.2% in GBP, due to exceptional returns of c. 700% from the largest company in the index, VinGroup.
- VEIL’s share price returns were higher than the NAV returns at 36.1% in USD, or 29.9% in GBP, as decisive action to tackle the discount started to bite (and shareholder returns were therefore above benchmark).
- A tender offer of 10% of the shares was completed post-period end in January 2026, and the board expects to announce details of a second tender in due course.
- The strong returns were achieved despite overseas investors being big net sellers of Vietnamese equities, with domestic investors taking up the baton. This could bode well for the market when foreign investors return, with the market set to be included in the FTSE Emerging Series in September.
- Banks and retailers were among the best performers for VEIL over the year, as the portfolio benefitted from being positioned in stocks exposed to domestic growth, urbanization and infrastructure spend.
- Interim chair of the board, Charles Cade, said: “In the near term, the war in the Gulf region creates headwinds for Vietnam as the country is a significant net importer of energy. However, the core long-term drivers of economic growth remain in place, with healthy foreign direct investment, rising urbanisation and the emergence of the middle class consumer. In addition, government policy is increasingly reform oriented, accelerating displacement of State-Owned Enterprises by more efficient private sector businesses.”

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Kepler View

A strong combination of growth, valuation and technical factors support investment in Vietnamese equities. Entering the year, GDP was forecast to grow at 10% in 2026, and in fact delivered 7.8% annualised in the first quarter, a record for Q1. Meanwhile, the market traded at around 11x forward earnings as of 01/04/2026. On the technical side, in September Vietnam will be promoted to emerging market status by FTSE, which Dragon Capital estimate could see \$6-8bn cumulative inflows over 12-18 months.

Growth is being driven by strong domestic drivers. Importantly, the political authorities are committed to significant reforms, most notably Resolutions 68 and 79, which aim to boost the contribution of the private sector growth and reform SOEs. Additionally, a massive infrastructure spending programme is creating multiple investment opportunities. Dragon Capital forecasts 18% profit growth for the market in 2026, even after modelling the impact of the war in the gulf. In a stress scenario of \$100 a barrel for 9-12 months, the managers only forecast a 0.5-1pp drag



on GDP growth and would expect inflation to remain below the 5% policy ceiling.

Weak overseas demand for equities may be behind modest valuations, which means FTSE inclusion in September could be particularly well timed. Additionally, a wave of IPOs expected over the next few years should encourage foreign investors in and create a more diverse and attractive market.

Vietnam Enterprise Investments' (VEIL) portfolio is positioned to benefit from surging domestically-driven growth. Manager Tuan Le Anh has increased the portfolio's exposure to leading private sector champions following the introduction of Resolution 68, expecting it to facilitate greater private sector investment in large-scale development projects. Additionally, he has added to the brokerage firm SSI in order to benefit from anticipated greater liquidity, the IPO pipeline, and the FTSE upgrade. New positions in the energy sector should benefit from renewed domestic oil production in the light of higher energy prices. Meanwhile the trust remains heavily invested in the banking sector which should benefit from growing demand for loans, and in particular in those with stronger earnings momentum.

VEIL's discount has narrowed in recent months, but we still regard it as attractive in the light of its growth outlook and the expected further tender offer as well as, over the longer run, a performance-related 100% tender offer. The volatility surrounding the current conflict in the gulf may prove to have been a good opportunity to top up, although we note the local market has already made back most of the losses after the outbreak of the war.

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