

FTSE RUSSELL AFFIRMS VIETNAM'S EMERGING MARKET UPGRADE IN SEPTEMBER 2026 FOLLOWING A SATISFACTORY INTERIM ASSESSMENT

On Tuesday, 7 April 2026, FTSE Russell confirmed the reclassification of Vietnam from Frontier to **Secondary Emerging Market** status, as previously scheduled, following a satisfactory March 2026 interim assessment on access to global brokers. This follows an announcement in October 2025 that Vietnam would be upgraded from Frontier to Secondary EM status, **with an effective date of Monday, 21 September 2026.**

According to the latest announcement ([available here](#)), Vietnam will be added to the FTSE GEIS and associated indices via a four-tranche phased implementation beginning in September 2026 and concluding in September 2027. The proportion of investability weight added will be as follows:

	Tranche One September 2026	Tranche Two March 2027	Tranche Three June 2027	Tranche Four September 2027
Proportion of investability weight added	10%	20%	35%	35%
Tranching Factor	10%	30%	65%	100%

Source: FTSE Russell

The list of Vietnamese securities indicatively expected to be eligible for the FTSE Global All Cap Index is also provided.

List of potential stocks expected to be included in the FTSE Global Markets All Cap Index:

Ticker	Market cap (USDbn)	Floating Market cap (USDbn)	Potential flows from ETFs (USDmn)	Turnover per day (USDmn)
VIC	42.0	12.4	315.6	22.1
VHM	17.9	4.8	121.1	35.7
MSN	4.1	2.1	53.9	19.7
HPG	7.8	2.1	53.7	35.8
VNM	4.8	1.9	49.4	9.2
SSI	2.6	1.8	45.4	20.8
VCB	18.4	1.8	45.3	59.6
VIX	1.6	1.5	37.0	23.4
VJC	3.7	0.9	22.0	23.2
VCI	1.2	0.8	21.1	7.5
VRE	2.2	0.8	21.1	60.6
STB	4.4	0.8	19.6	66.2
FPT	4.8	0.8	19.4	14.1
SHB	2.8	0.8	19.2	84.5
VND	0.9	0.7	16.8	7.1
NVL	1.3	0.5	13.9	29.1

GEX	1.3	0.5	13.9	37.1
KBC	1.1	0.5	11.5	6.4
BID	10.9	0.4	11.1	4.6
EIB	1.6	0.4	10.6	18.6
BSR	4.8	0.4	9.8	2.6
DGC	0.8	0.3	8.7	4.1
GEE	2.6	0.3	8.7	0.9
HUT	0.7	0.3	8.0	12.9
DPM	0.7	0.3	7.4	0.7
PDR	0.6	0.3	6.6	32.0
KDH	1.1	0.2	5.7	6.5
SAB	2.1	0.2	5.7	24.0
DIG	0.4	0.2	4.8	6.2
KDC	0.5	0.2	4.7	2.8

Source: FTSE Russell, Fiiipro, Bloomberg, and VinaCapital's estimates, as of April 7, 2026

Note (*): 6-month average trading value

This is positive news for Vietnam's stock market. The upgrade recognizes the Vietnamese Government's strong and sustained efforts over the past two years in implementing a comprehensive reform and modernization agenda. However, this achievement is not the final destination, but rather the beginning of the next phase of development of Vietnam's stock market, bringing with it more pressing requirements and challenges for the next phase of development, including the potential MSCI upgrade.

The table below illustrates the projected index weight of the Vietnamese securities within FTSE indices (FTSE Emerging All Cap, FTSE Emerging All Cap, FTSE All-World, and FTSE Emerging):

Index	Projected weight
FTSE Global All Cap	0.037%
FTSE Emerging All Cap	0.350%
FTSE All-World	0.024%
FTSE Emerging	0.227%

Source: FTSE Russell

Vietnam is expected to attract approximately USD 1 billion in passive flows and USD 4–5 billion in active flows, totalling to USD 5–6 billion in foreign capital inflows. While the quantum of these inflows may not appear particularly significant relative to Vietnamese stock market's current daily trading value of approximately USD 1 billion - especially after three consecutive years of net foreign outflows, this marks a new starting point for Vietnam's stock market growth trajectory and broadens Vietnam's investor base. This development aligns with policymakers' ambition to expand the size of Vietnam's stock market to 120% of GDP by 2030, from the current level of 75%.

Several Vietnamese stocks that are prospective index constituents are also major holdings of our funds. While their inclusion is a favorable catalyst, our investment thesis when investing in those

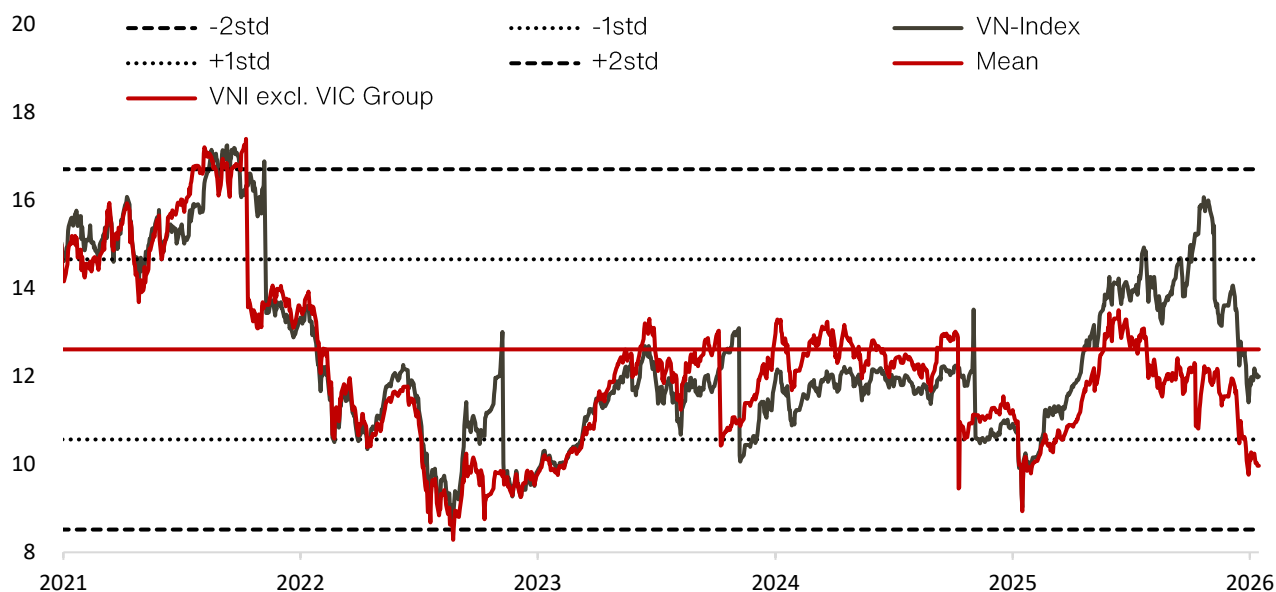
stocks remains fundamentally anchored in intrinsic value, underpinned by robust earnings quality, sound corporate governance, and compelling valuation metrics.

We remain positive on the long-term outlook for Vietnam's stock market. Despite the global economy facing significant impacts from geopolitical tensions in the Middle East, we believe that long-term economic growth will continue to be the primary driver of stock market performance.

The VN-Index is trading at one of its most attractive valuation levels in the past five years, weighed down by adverse sentiment stemming from the US-Iran war. Notwithstanding those headwinds, we maintain a positive long-term view on Vietnam's economic trajectory in this new phase of growth, which we believe could underpin strong equity market performance.

At this highly attractive valuation level, the stock markets typically recover quickly when sustainable economic growth prospects remain intact. For 2026, we anticipate corporate earnings growth will exceed 15%, demonstrating resilience amidst an uncertain global geopolitical backdrop.

Market P/E Valuation is compelling Compared to the 5-Year Average



Source: Bloomberg, data as of April 07, 2026

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