VinaCapital Modern Economy Equity Fund (VINACAPITAL-VMEEF)

VinaCapital

As of 30 June 2026

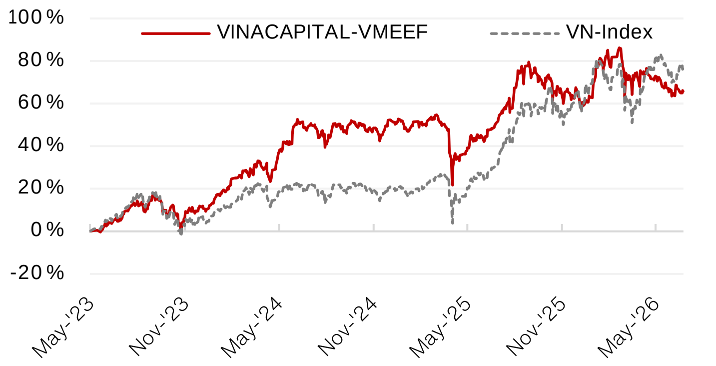
The fund seeks to build a portfolio of companies benefiting from Vietnam's structural growth drivers, including urbanization, middle class expansion, and digitalization, to be acquired at reasonable valuations. As Vietnam's long-term economic growth is closely tied to modernization, the strategy prioritizes companies that provide products and services supporting the evolving needs of consumers and businesses, particularly in areas such as financial services, modern retail, urban real estate, and technology-enabled solutions.

Performance Summary

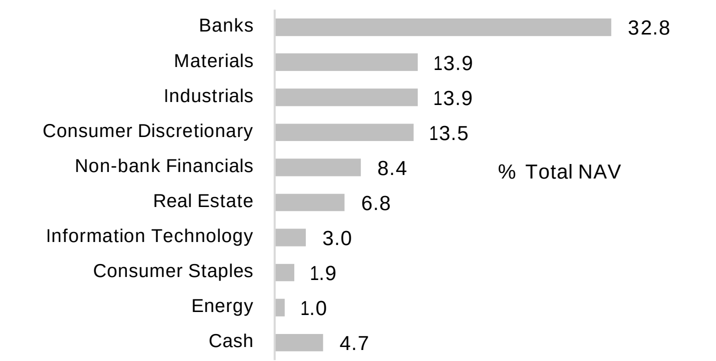
	VINACAPITAL-VMEEF	VN-Index
Jun 2026 return (%)	(0.8)	(0.2)
YTD 2026 return (%)	1.7	4.2
3-year annualized return (% p.a.)	16.5	18.4
5-year annualized return (% p.a.)	-	-
Annualized return since inception (% p.a.)	17.4	19.8
Cumulative return since inception (%)	65.7	76.6

Past performance is not necessarily guidance to the future. Investment returns are not guaranteed and may experience short-term fluctuations. Investors are recommended to have a medium-to-long-term investment horizon to optimize performance.

Performance Chart



Sector Allocation



Top 10 Holdings

Ticker	Sector	% of NAV
HPG	Materials	9.8
PNJ	Consumer Discretionary	6.8
VCB	Banks	6.6
MBB	Banks	6.5
CTG	Banks	5.9
MWG	Consumer Discretionary	4.7
TCB	Banks	4.3
TCX	Non-bank Financials	4.1
ACB	Banks	3.9
NLG	Real Estate	3.8
TOTAL		56.5

Monthly Commentary

Stock Market Update

The Vietnamese equity market was somewhat volatile in June, with market performance remaining highly differentiated across sectors and stocks. The VN-Index ended the month at 1,860 points, down a modest 0.2% from the previous month. Vingroup-related stocks continued to provide significant support to the market. Excluding VIC and VHM, the VN-Index would have declined by more than 1% during the month.

Year-to-date, the VN-Index has gained 4.2%. However, market breadth remained weak, with only 125 stocks advancing compared to 282 declining stocks. VIC and VHM continued to be the largest contributors to the index's performance, gaining 29.7% and 27.1%, respectively, since the beginning of the year. Excluding these two stocks, the VN-Index would have been down approximately 2% in the first six months of 2026.

Market liquidity weakened considerably, reflecting cautious investor sentiment amid persistently high interest rates. Average daily trading value reached USD 701 million in June, significantly lower than USD 955 million in May and the year-to-date average of USD 1.014 billion. Foreign investors remained net sellers, with net outflows totaling USD 583 million during the month (versus USD 735 million in May), bringing cumulative net foreign selling to more than USD 3 billion since the beginning of the year.

Vietnam's economy continued to deliver solid growth in the second quarter. GDP expanded by 8.2% year-on-year in the first half of 2026, including 8.4% growth in 2Q2026. The primary growth driver remained the industrial and construction sector, which expanded by 9.8% in the first six months of the year and 10.5% in the second quarter. Domestic consumption also remained resilient, with real retail sales increasing by 7.3% in the first half, broadly in line with the 7.4% growth recorded in the same period last year.

Inflationary pressures eased somewhat during June as CPI declined by 0.4% month-on-month, mainly due to lower fuel prices. Nevertheless, average CPI for the first six months of the year was still 4.4% higher year-on-year. The USD/VND exchange rate remained broadly stable both during June and year-to-date.

Foreign direct investment (FDI) continued to be a bright spot for the economy. Total registered FDI reached USD 34.7 billion, up 61% year-on-year, while disbursed FDI amounted to approximately USD 13 billion, representing 11.2% growth year-on-year and the highest first-half disbursement level recorded in many years.

In the banking sector, system-wide credit growth reached 7.4% year-to-date, significantly outpacing deposit growth of 5.0%. The widening gap between credit expansion and deposit mobilization continued to place upward pressure on interest rates. Deposit rates for 6–12 month tenors currently range between 7–8% per annum, and can reach 8–9% per annum depending on the bank and customer segment.

During May and June 2026, the Government and the State Bank of Vietnam introduced a series of policy measures aimed at supporting economic growth by ensuring adequate funding for priority sectors and strategic infrastructure projects. Key measures include exempting certain loans to strategic infrastructure projects, social housing, and industrial parks from credit growth limits; increasing the ratio of short-term funding permitted for medium- and long-term lending from 30% to 40%; and enhancing flexibility in the use of State Treasury deposits to support banking system liquidity. These measures are expected to alleviate funding pressures, improve liquidity conditions, and support credit growth in the near term.

We remain constructive on the long-term outlook for the Vietnamese equity market. Current valuation levels remain attractive and, in our view, already reflect most of the impact from the recent increase in interest rates. Looking ahead, market performance should be supported by continued earnings growth among listed companies, government initiatives aimed at sustaining economic growth, and ongoing capital market reforms designed to attract both domestic and international investment flows.

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As of 30 June 2026

Portfolio Statistics

	VINACAPITAL-VMEEF	VN-Index
2026 P/E (x)	9.4	13.2
2026 P/B (x)	1.5	1.8
2026 ROE (%)	15.9	16.2
2026 Dividend yield (%)	2.4	1.9
Portfolio turnover (Since inception) (%)	85.2	-
Sharpe ratio (Since inception)	0.8	0.9
Beta (Since inception)	0.7	1.0
No. of stocks	27	403

(Source: VinaCapital's forecast)

Fund Information

Total AUM (VND billion)	2,282.5
NAV/Share (VND)	16,569.3
Fund launch date	04 May 2023
Management fee	1.75% per annum
Subscription fee	0%
Redemption fee	Day 1 to Day 364: 2%
	Day 365 to Day 729: 1%
	From Day 730 onwards: 0%
PIT	0.1%
Custodian & Supervisor bank	Standard Chartered Bank Ltd. (Vietnam)
Auditor	PwC Vietnam
Trading frequency	Daily, from Monday to Friday
Benchmark	VN-Index

(The NAV is net of management fee & administrative expenses.)

Contact Information

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Monthly Commentary (continued)

Fund Update and Investment Outlook

The Net Asset Value per unit (NAV/Unit) of VinaCapital-VMEEF declined by 0.8% in June 2026, trailing the VN-Index, which decreased 0.2% over the same period. On a year-to-date basis, the Fund delivered a gain of 1.7%, lower than the VN-Index's performance of 4.2% but significantly outpacing its ex-Vingroup decline of approximately 2%, highlighting the resilience of the portfolio amid heightened market volatility. During the month, TCX, ACB, and BMP were the main positive contributors, while HPG, PNJ, and KDH weighed on performance.

BMP, one of our holdings acquired at a highly attractive cost basis, delivered an 11.3% return in June. We continue to view BMP as a high-quality defensive investment, supported by (1) its leading position in Vietnam's premium plastic pipe market, which positions the company to benefit from the resilient residential construction market in Southern Vietnam and the acceleration of public infrastructure spending, and (2) its attractive cash dividend yield of around 10%. In addition, we expect BMP to deliver robust earnings growth, driven by the 20% average selling price increase implemented in early April, together with lower input costs as oil prices have eased.

Looking ahead, we remain confident in our portfolio of high-conviction industry leaders with strong fundamentals. Our holdings are projected to deliver 23% earnings growth in 2026 while trading at a forward P/E of 9.4x, compared with the VN-Index's expected earnings growth of 15% at a forward P/E of 13.2x, offering an attractive combination of stronger growth and lower valuation, which is critical to ensure long-term substantial outperformance.

Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023					0.4%	4.3%	8.5%	0.8%	-4.1%	-9.0%	9.5%	3.5%	13.2%
2024	5.7%	7.1%	3.7%	-2.9%	9.4%	4.5%	0.0%	2.0%	0.4%	-1.5%	0.5%	1.6%	34.0%
2025	-0.1%	0.6%	-3.5%	-7.5%	5.6%	4.2%	5.1%	12.8%	-5.0%	-1.2%	-2.4%	0.0%	7.4%
2026	11.9%	2.0%	-6.5%	-1.3%	-2.6%	-0.8%							1.7%