VinaCapital Modern Economy Equity Fund (VINACAPITAL-VMEEF)

As of 31 July 2026

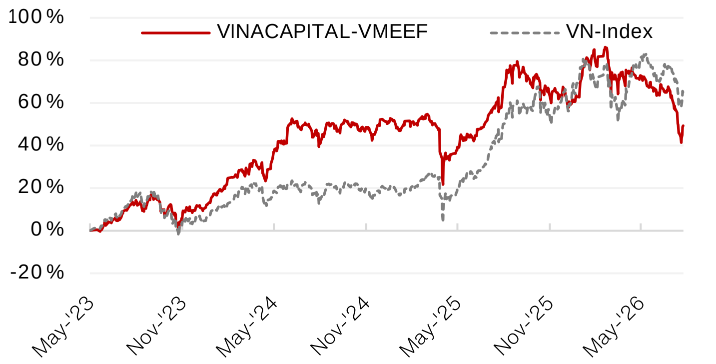
The fund seeks to build a portfolio of companies benefiting from Vietnam's structural growth drivers, including urbanization, middle class expansion, and digitalization, to be acquired at reasonable valuations. As Vietnam's long-term economic growth is closely tied to modernization, the strategy prioritizes 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

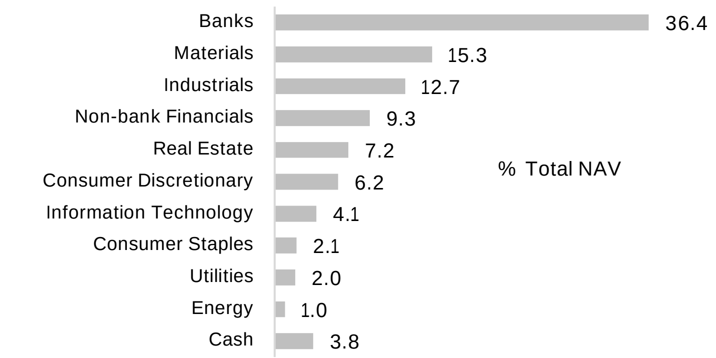
	VINACAPITAL-VMEEF	VN-Index
Jul 2026 return (%)	(9.9)	(6.7)
YTD 2026 return (%)	(8.4)	(2.7)
3-year annualized return (% p.a.)	9.5	12.4
5-year annualized return (% p.a.)	-	-
Annualized return since inception (% p.a.)	13.2	16.7
Cumulative return since inception (%)	49.3	64.8

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	10.1
VCB	Banks	7.5
MBB	Banks	6.5
CTG	Banks	6.2
ACB	Banks	5.7
TCB	Banks	4.4
TCX	Non-bank Financials	4.2
FPT	Information Technology	4.1
MWG	Consumer Discretionary	3.9
REE	Industrials	3.8
TOTAL		56.3

Monthly Commentary

Stock Market Update

The Vietnamese equity market went through a volatile July, with the VN-Index falling 6.7%—its steepest monthly decline so far this year—bringing its year to date return to -2.7%. The correction unfolded against a backdrop of rising interest rates since the start of the year, which weighed on the relative appeal of risk assets. Investigations into a few companies for legal violations further dampened investor sentiment, prompting more cautious capital flows and broad based selling pressure. The market only began to recover in the final sessions of the month, as many stocks fell to more attractive valuations.

Market liquidity declined steadily over the course of the year. Average daily trading value across the three exchanges—HOSE, HNX, and UPCoM—fell from approximately USD 1.47 billion in January to USD 736 million in July, reflecting cautious investor sentiment amid gradually rising interest rates and a number of short term uncertainties. Foreign investors remained net sellers, with net outflows of approximately USD 453 million during the month, bringing cumulative net selling year to date to around USD 3.5 billion. That said, we observed foreign investors returning as net buyers during periods of sharp corrections, when valuations moved into more attractive territory.

In contrast to market performance, Vietnam's macroeconomic fundamentals remained resilient. The Index of Industrial Production (IIP) rose 11.4% in the first seven months of the year, while the manufacturing sector expanded by 12%. The manufacturing PMI rose from 51.8 to 52.9 in July, marking the 13th consecutive month of expansion, with output, new orders, and export orders all improving as input cost pressures continued to ease. These figures suggest that Vietnam's production and export activities continued to grow at a solid pace.

The most notable bright spot during the month came from the 2Q2026 earnings of listed companies. According to data compiled by VinaCapital, net profit attributable to parent company shareholders of HOSE listed companies rose 46% year on year in the second quarter and approximately 48% in the first half of 2026. Growth was broad based, with 11 of 12 sectors posting positive earnings growth in the first half, of which 8 grew by more than 20%—most notably Materials (+72%), Consumer Discretionary (+55%), Consumer Staples (+44%), and Insurance (+21%). The broadening of earnings growth across sectors, rather than being concentrated in a handful of companies, reflects a genuine improvement in the real economy and consumer demand. We view this as the most encouraging factor for the market at present, as corporate earnings growth ultimately remains the key driver of market direction over the medium to long term.

Following the recent correction, market valuations have become even more attractive. Based on the fund's estimates, the 2026 forward P/E of the VN-Index now stands at just 11.5x, and excluding Vingroup related stocks, falls to around 9.5x—a compelling level relative to the earnings growth prospects of listed companies. Meanwhile, the economy continues to grow strongly, supported by ongoing policies to boost investment and credit growth. In addition, Vietnam's official upgrade by FTSE Russell to emerging market status in September 2026 should serve as an important catalyst, helping to lift investor sentiment and draw additional capital flows into the market in the period ahead.

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VinaCapital

As of 31 July 2026

Portfolio Statistics

	VINACAPITAL-VMEEF	VN-Index
2026 P/E (x)	8.4	11.5
2026 P/B (x)	1.3	1.9
2026 ROE (%)	15.5	16.2
2026 Dividend yield (%)	2.7	1.8
Portfolio turnover (Since inception) (%)	86.0	-
Sharpe ratio (Since inception)	0.5	0.7
Beta (Since inception)	0.8	1.0
No. of stocks	27	403

(Source: VinaCapital's forecast)

Fund Information

Total AUM (VND billion)	2,057.3
NAV/Share (VND)	14,925.4
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.)

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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 9.9% in July 2026, trailing the VN-Index, which decreased 6.7% over the same period. On a year-to-date basis, the Fund witnessed a decline of 8.4%, steeper than the VN-Index's correction of 2.7% but outpacing its ex-Vingroup decline of 8.9%. During the month, GMD, FPT, and GAS were the main positive contributors, while PNJ, HPG, and KDH weighed on performance.

In July, PNJ, one of the Fund's holdings, encountered an unexpected legal issue related to misconduct by an individual executive of a subsidiary. The incident triggered a significant loss of customer trust and liquidity concerns, resulting in a sharp decline in the share price. Following a thorough review and assessment, and given the continued uncertainty surrounding the investigation and PNJ's business performance, we decided to exit our position in PNJ when opportunities arose, in order to preserve investor benefit and reallocate capital to more attractive investment opportunities. Specifically, we increased allocation to VCB, CTG and initiated a new position in GAS, all of which offer attractive valuations and strong fundamentals. These investments have contributed positively to the Fund's performance in the first half of August.

Looking ahead, we believe the equity market will be supported by a favourable earnings outlook for listed companies, alongside currently attractive market valuations. Historical data shows that whenever the market's P/B ratio has fallen below 1.7x, subsequent market returns over a three-month horizon or longer have consistently been positive. Moreover, when the market traded at a P/B ratio of 1.5–1.6x, the market delivered an average return of 17% after one year and 37% after two years. At the current P/B of 1.52x (excluding Vingroup-related stocks), we therefore see significant upside potential for the market over the medium to long term.

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%	-9.9%						-8.4%