VinaCapital Modern Economy Equity Fund (VINACAPITAL-VMEEF)

As of 31 August 2026

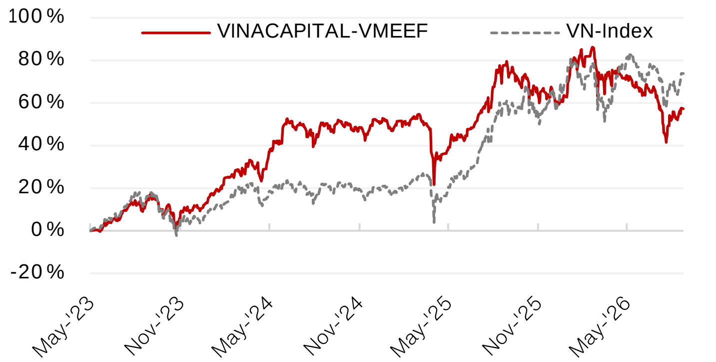
The fund seeks to build a portfolio of companies benefiting from Vietnam's structural growth drivers, including urbanization, middle class expansion, and digitalization, to be acquired at reasonable valuations. As Vietnam's long-term economic growth is closely tied to modernization, the strategy prioritizes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

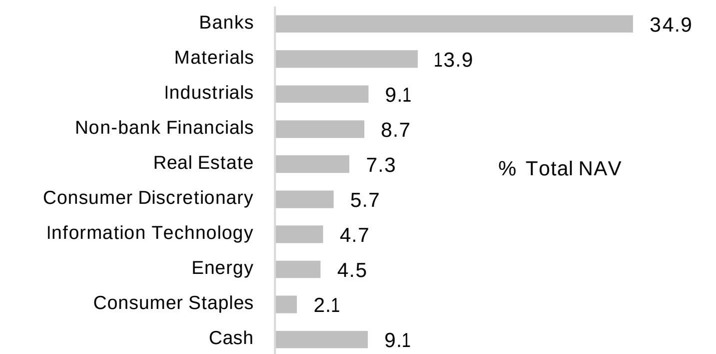
	VINACAPITAL-VMEEF	VN-Index
Aug 2026 return (%)	5.3	5.6
YTD 2026 return (%)	(3.5)	2.7
3-year annualized return (% p.a.)	11.1	14.4
5-year annualized return (% p.a.)	-	-
Annualized return since inception (% p.a.)	14.6	18.2
Cumulative return since inception (%)	57.3	73.9

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	9.0
VCB	Banks	7.6
MBB	Banks	6.9
CTG	Banks	6.6
ACB	Banks	5.6
TCB	Banks	4.8
FPT	Information Technology	4.7
MWG	Consumer Discretionary	4.5
TCX	Non-bank Financials	4.1
NLG	Real Estate	3.8
TOTAL		57.6

Monthly Commentary

Stock Market Update

Following two consecutive months of correction, the Vietnamese equity market rebounded in August 2026. The VN Index advanced 5.6%, closing the month at 1,832 points and bringing its year to date return back into positive territory at 2.7%. While the index's performance remained heavily influenced by Vingroup-related stocks, which accounted for 37% of the VN Index's gain during the month, the recovery became more broad-based as most sectors posted positive returns, led by utilities, oil & gas, and technology.

Investor sentiment nevertheless remained cautious, as reflected in market liquidity. Average daily trading value across HOSE, HNX, and UPCoM reached approximately USD 714 million, edging down from July and marking the lowest level since the beginning of the year. Such subdued trading activity is understandable given the persistently high interest rate environment and ongoing uncertainties in the global economy. On a more positive note, foreign investors recorded net selling of only USD 52 million during August, a significant improvement from more than USD 450 million in July and the lowest monthly net outflow in several months. Cumulative foreign net selling since the start of the year stood at approximately USD 3.56 billion.

Macroeconomic indicators continued to paint a relatively constructive picture. Industrial production expanded 14.4% in August and 11.4% during the first eight months of the year, while the manufacturing PMI reached 53.3, with output growth and new orders increasing at their fastest pace in more than two years. The trade balance improved meaningfully as the monthly trade deficit narrowed to near balance. Public investment disbursement rose 18.5%, while realized FDI reached its highest level in five years. The USD/VND exchange rate remained stable, with the Vietnamese dong even appreciating modestly year-to-date, providing important support for macroeconomic stability. Inflation, however, has become a key variable to monitor. August CPI increased 4.89% year-on-year, while average inflation for the first eight months reached 4.45%, close to the Government's 4.5% target. As a result, the room for monetary easing in the coming months has become more limited.

A key highlight during the month was FTSE Russell's publication of the final list and corresponding weightings of 27 Vietnamese stocks. Based on various market estimates, passive inflows associated with the upgrade could reach approximately USD 2 billion, to be deployed in four phases between September 2026 and September 2027, with allocations of 10%, 20%, 35%, and 35%, respectively. The first phase will take effect on 21 September 2026. While the scale of passive inflows is not particularly large in absolute terms, the emergence of new foreign capital remains supportive in the context of weak market liquidity and sustained foreign net selling since the beginning of the year.

The policy environment also continued to evolve positively during August. The National Assembly approved the Urban Development Law and the revised Petroleum Law. The Government issued Decision No. 40/2026/QĐ TTg, establishing criteria for the restructuring of state capital in state-owned enterprises and enterprises with state ownership. In addition, the State Bank of Vietnam proposed a special credit mechanism for key infrastructure projects in Hanoi, reflecting the authorities' commitment to mobilizing capital for large-scale infrastructure development. These policy initiatives are expected to provide positive support for listed companies across a range of sectors.

Since the beginning of the year, rising interest rates driven by strong funding demand in the economy have weighed on investor sentiment. Nevertheless, we remain encouraged by the Government's timely policy responses aimed at preserving macroeconomic stability, ensuring adequate capital availability, and supporting investment and economic growth. From an equity market perspective, current valuation levels have largely incorporated the impact of higher interest rates. The market's attractive valuation, combined with expected earnings growth from listed companies and the structural improvements associated with the market upgrade, continues to support a constructive medium- to long-term outlook. More importantly, many companies in the market continue to trade at attractive valuations despite solid earnings growth prospects, providing meaningful upside potential over the medium to long term.

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VinaCapital

Portfolio Statistics

	VINACAPITAL-VMEEF	VN-Index
2026 P/E (x)	9.1	12.3
2026 P/B (x)	1.4	2.0
2026 ROE (%)	14.9	16.3
2026 Dividend yield (%)	2.6	1.8
Portfolio turnover (Since inception) (%)	89.1	-
Sharpe ratio (Since inception)	0.6	0.8
Beta (Since inception)	0.8	1.0
No. of stocks	24	405

(Source: VinaCapital's forecast)

Fund Information

Total AUM (VND billion)	2,163.4
NAV/Share (VND)	15,722.1
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

VinaCapital Fund Management JSC

17th Floor, Sun Wah Tower

115 Nguyen Hue, Sai Gon Ward, Ho Chi Minh City, Vietnam

Investor Relations: irwm@vinacapital.com

Tel: +84 28 38 27 85 35

Monthly Commentary (continued)

Fund Update and Investment Outlook

The Net Asset Value per unit (NAV/Unit) of VinaCapital-VMEEF increased by 5.3% in August 2026, slightly trailing the VN-Index, which rose by 5.6% over the same period. On a year-to-date basis, the Fund declined by 3.5%, trailing the VN-Index's increase of 2.7% but outperforming the VN-Index ex-VIC, which declined by 3.9%. During the month, MBB, TCB, and FPT were the main positive contributors, while REE, IDC, and TCX weighed on performance.

We would like to highlight two of the fund's drivers for performance: technology and Oil & Gas stocks. Firstly, we have accumulated back FPT – the country's tech champion – during the last 2 months due to the reasons that the stock was deeply oversold and its software outsource outlook has been showing rapid improvement. FPT's software backlog grew 32% in the first 7 months of 2026, suggesting that the value created by AI is currently outweighing the risk of job displacement. In addition, forward P/E of ~12x against 15% EPS growth gives us confidence in terms of valuation.

Regarding Oil & Gas names such as GAS, PVS and PVT, our accumulation after a steep correction has started to contribute positively to performance in August and September. For PVS, we forecast core earnings to grow by 20% in 2027, supported by key projects progressing into the handover phase. In addition, the 2026 Petroleum Law, which aims to streamline administrative procedures and strengthen incentives to encourage further oil and gas project development, should provide a supportive backdrop for upstream players such as PVS. For PVT, tanker rates have risen sharply amid renewed tensions in the Middle East, while the company has begun gradually shifting part of its time-charter fleet toward spot-market operations, allowing it to capture the upside from stronger tanker rates.

Looking ahead, we believe that equity valuations have broadly priced in the higher interest-rate environment, as well as expectations for slower earnings growth among listed companies in the second half of the year amid elevated funding costs and ongoing economic challenges. We are also beginning to see more positive macro signals, including easing foreign-exchange pressures, an improving trade balance, and continued growth in manufacturing. In addition, the potential inflow of both active and passive foreign capital following Vietnam's FTSE upgrade could provide an additional market catalyst.

Against this backdrop, the Fund remains committed to its strategy of focusing on fundamentally strong businesses with attractive valuations. We believe this disciplined approach should continue to generate compelling long-term risk-adjusted return for investors.

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%	5.3%					-3.5%