

VinaCapital Modern Economy Equity Fund (VINACAPITAL-VMEEF)



As of 30 September 2026

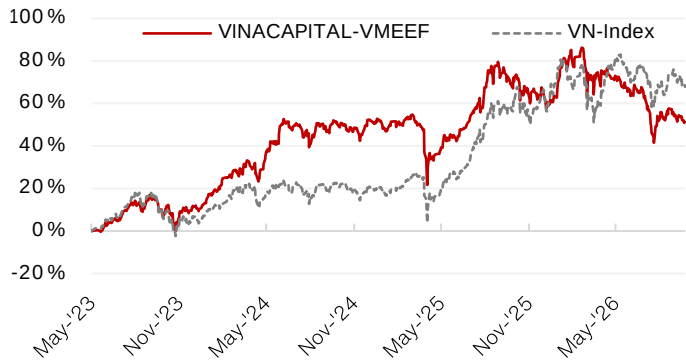
The fund seeks to build a portfolio of companies benefiting from Vietnam's structural growth drivers, including urbanization, middle class expansion, and digitalization, to be acquired at reasonable valuations. As Vietnam's long-term economic growth is closely tied to modernization, the strategy prioritizes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

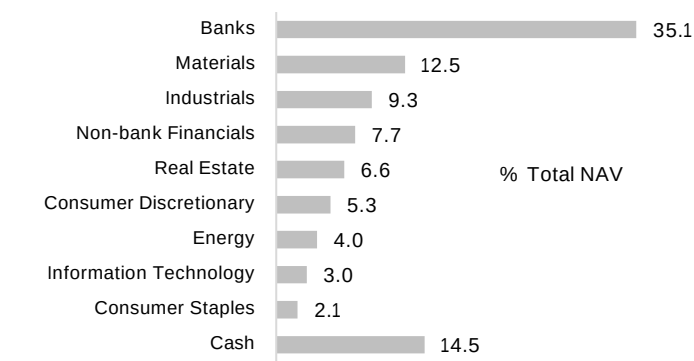
	VINACAPITAL-VMEEF	VN-Index
Sep 2026 return (%)	(3.9)	(3.5)
YTD 2026 return (%)	(7.2)	(0.9)
3-year annualized return (% p.a.)	11.2	15.3
5-year annualized return (% p.a.)	-	-
Annualized return since inception (% p.a.)	12.9	16.5
Cumulative return since inception (%)	51.2	67.9

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	8.6
VCB	Banks	7.7
MBB	Banks	7.1
CTG	Banks	6.5
ACB	Banks	5.4
TCB	Banks	4.9
MWG	Consumer Discretionary	4.6
REE	Industrials	4.0
NLG	Real Estate	3.5
HDB	Banks	3.5

TOTAL 55.8

Classified: Public

Monthly Commentary

Stock Market Update

The VN Index fell 3.5 % in September to 1,768.6 points. Despite strong economic growth and Vietnam's official upgrade to Emerging Market status by FTSE Russell, market sentiment remained weak, as liquidity declined for a fourth consecutive month and foreign investors continued to sell.

The main pressure came from persistently high domestic interest rates, while global interest rates also moved higher again. The U.S. Federal Reserve raised its policy rate by 25 basis points to 3.75–4.00 %, its first hike since 2023, citing concerns over inflation amid a sharp rise in energy prices. The 10 year U.S. Treasury yield rose as high as 5.29 % during the month, its highest level since 2007, weighing on risk assets across emerging markets.

Average daily trading value across Vietnam's three stock exchanges was only USD 682 million in September, the lowest level since February 2025. Although foreign investors were net buyers in several sessions around the upgrade, they remained net sellers of USD 179 million for the month, extending their net selling streak to nine consecutive months.

However, the economic picture gives good reasons to be more optimistic about the market outlook. The economy continued to accelerate in the third quarter, while the stock market has yet to reflect this momentum. GDP grew 9.95 % year on year in 3Q2026, lifting growth for the first nine months of the year to 9.01 %. Industry and construction led the expansion with 12.5 % growth in the third quarter, while total social investment rose 15.1 % in the first nine months, up from 11.6 % in the same period of 2025.

FDI was a standout bright spot. Total registered FDI reached USD 50.4 billion in the first nine months, up 76.4 % year on year, showing that foreign investors remain optimistic about Vietnam's investment outlook despite tariff concerns. Disbursed FDI reached USD 21.1 billion, up 12.1 % and the highest level since 2022. Exports rose 24.5 % in the first nine months. September recorded the first trade surplus of the year at USD 1.27 billion, indicating that electronic components and machinery imported earlier as production inputs have now been converted into exported goods.

The exchange rate has been more positive than expected, with the VND appreciating by around 1.3 % against the USD year to date on the back of an improving balance of payments. By contrast, inflation remained above normal levels, with September CPI up 5.08 % year on year. To ease price pressures, on 30 September the Government extended zero rates for the preferential import duty, environmental protection tax, and value added tax on petroleum products until the end of 2026.

Fiscal policy retains ample room to support growth. State budget revenue for the first nine months reached 86.5 % of the annual plan, while budget spending reached only 59.3 %, leaving scope for public investment to be accelerated further in the final months of the year. This will be an important growth driver at a time when the room for monetary easing remains limited by elevated inflation and strong capital demand in the economy.

In the stock market, several important reforms are under way. Circular 145/2026/TT BTC establishes a Central Counterparty (CCP) clearing mechanism, the amended Securities Law is being prepared for approval, and stocks listed on HNX will be transferred to HOSE. Regulators are also studying proposals for continuous trading through the lunch break and a shorter settlement cycle. These reforms will help Vietnam's stock market operate in line with international standards, thereby improving its ability to attract foreign capital.

Following price declines across many stocks in September, market valuations, already low, have become even more attractive. The VN Index is trading at a 2026 P/E of 11.8x, or just 9.5x excluding VIC, within its lowest valuation range in five years. VinaCapital estimates that earnings of listed companies will grow by around 25 % in 2026 and maintain double digit growth in 2027. In addition, strong growth in infrastructure investment, trade, and FDI is expected to spread across many sectors and lift household incomes. Together with corporate earnings growth, these will be key drivers for the stock market in the period ahead.

As of 30 September 2026

Portfolio Statistics		
	VINACAPITAL-VMEEF	VN-Index
2026 P/E (x)	8.4	11.8
2026 P/B (x)	1.3	1.9
2026 ROE (%)	15.3	16.3
2026 Dividend yield (%)	2.9	1.9
Portfolio turnover (Since inception) (%)	88.5	-
Sharpe ratio (Since inception)	0.5	0.7
Beta (Since inception)	0.8	1.0
No. of stocks	24	405
<i>(Source: VinaCapital's forecast)</i>		

Fund Information	
Total AUM (VND billion)	2,066.2
NAV/Share (VND)	15,116.0
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
<i>(The NAV is net of management fee & administrative expenses.)</i>	

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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 3.9 % in September 2026, slightly trailing the VN-Index, which decreased by 3.5 % over the same period. On a year-to-date basis, the Fund declined by 7.2 %, trailing the VN-Index's correction of 0.9 % but broadly in-line with the VN-Index ex-VIC, which declined by 7.3 %. During the month, BVH, PVT, and MWG were the main positive contributors, while HPG, TCX, and ACB weighed on performance.	
In September, amid near-term market challenges as interest rates and energy prices remained elevated, the Fund proactively increased its cash allocation from 9 % at the end of August to 14.5 % at the end of September to strengthen its defensive positioning and maintain greater portfolio flexibility. Together with the Fund's existing exposure to oil and gas stocks, notably PVT and PVS, this strategy helped mitigate the adverse impact of the broader equity market weakness.	
Entering October, as the Fund maintained a cautious stance amid ongoing macroeconomic and market uncertainties, we began increasing our allocation to defensive stocks. To balance capital preservation with return potential, the Fund favours companies with sound financial positions, substantial cash reserves, and high cash dividend payout, alongside positive earnings growth prospects and attractive valuations. This approach is intended to enhance portfolio resilience amid market volatility while preserving the potential for long-term asset growth. Regarding market outlook, although the equity market has yet to show clear signs of recovery, we see a gradual improvement in the macroeconomic environment. Meanwhile, market valuations remain depressed, and corporate earnings are expected to continue growing at a healthy pace. Against this backdrop, the Fund remains committed to investing in fundamentally strong businesses with favourable growth prospects and attractive valuations. We believe that maintaining investment discipline, proactively managing risk, and selectively identifying investment opportunities will provide a solid foundation for delivering attractive long-term risk-adjusted returns to 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 %	-3.9 %				-7.2 %

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