VinaCapital Modern Economy Equity Fund (VINACAPITAL-VMEEF)

As of 31 October 2026

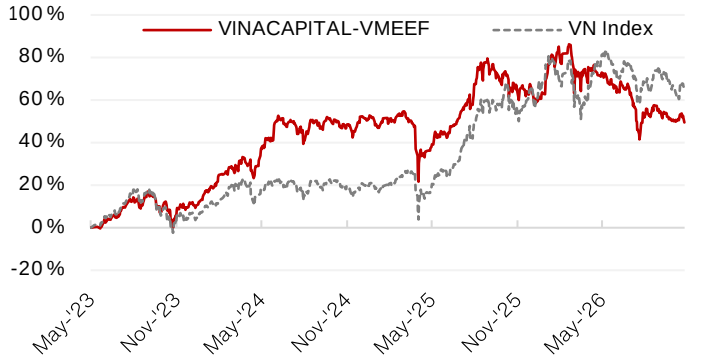
The fund seeks to build a portfolio of companies benefiting from Vietnam's structural growth drivers, including urbanization, middle class expansion, and digitalization, to be acquired at reasonable valuations. As Vietnam's long-term economic growth is closely tied to modernization, the strategy prioritizes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

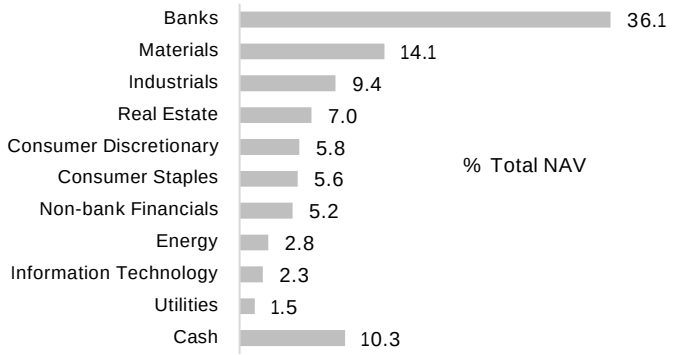
	VINACAPITAL-VMEEF	VN-Index
Oct 2026 return (%)	(1.1)	(1.5)
YTD 2026 return (%)	(8.2)	(2.4)
3-year annualized return (% p.a.)	14.4	19.2
5-year annualized return (% p.a.)	-	-
Annualized return since inception (% p.a.)	12.2	15.5
Cumulative return since inception (%)	49.5	65.3

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	8.7
VCB	Banks	7.7
MBB	Banks	7.2
CTG	Banks	6.8
ACB	Banks	4.8
TCB	Banks	4.7
MWG	Consumer Discretionary	4.7
HDB	Banks	4.2
REE	Industrials	4.0
NLG	Real Estate	3.7
TOTAL		56.6

Monthly Commentary

Stock Market Update

The VN-Index fell 1.5% in October to close at 1,741.6 points. The index was volatile during the month, briefly dropping below 1,700 before recovering after the Government firmly directed banks to lower interest rates. Year-to-date, the VN-Index is down 2.4%; excluding Vingroup-related stocks, the market has declined 11.4%.

Liquidity weakened further in October, with average daily trading value falling 5% month-on-month to around USD606 million. Foreign investors were net sellers of USD931 million, roughly five times the September figure, bringing year-to-date net outflows to USD4.7 billion. That said, around 59% of October's net selling came through block trades, with MCH alone accounting for USD372 million.

Third-quarter earnings remained solid, with aggregate net profit of HOSE-listed companies rising 51.5% year-on-year and 48.4% over the first nine months. However, the Vingroup group accounted for nearly 60% of this growth, driven largely by sizeable gains from bulk sales of real estate projects. While most sectors continued to grow, earnings momentum slowed in some sectors compared with Q2. Banks posted profit growth of 19.5% year-on-year but fell 5.1% quarter-on-quarter, while securities companies saw profits drop 50.3% year-on-year and 25.0% quarter-on-quarter.

Meanwhile, October macro data point to strong growth in Q4. Industrial production rose 15.0% year-on-year (10M: +12.4%), and retail sales of goods and services increased 14.7% (10M: +13.5%, or +7.7% in real terms). Public investment disbursement reached VND783.9 trillion in the first ten months, equivalent to 69% of the full-year plan and up 19.8% year-on-year. Registered FDI rose 74% to USD54.9 billion, while disbursed FDI grew 13.1% to USD24.1 billion. Notably, after running a trade deficit for the first eight months, Vietnam has recorded a surplus for two consecutive months, including USD7.3 billion in October.

For 2027, the National Assembly has again set a GDP growth target of 10% or higher. It also approved state budget expenditure of VND4.07 quadrillion, 29.0% above the estimated 2026 outturn. The Assembly has further called for full disbursement of the 2026 public investment plan, underscoring public investment as one of the key drivers of economic growth.

Since the start of the year, the domestic and global macro backdrop has been challenging for equities. Interest rates rose both at home and abroad, conflict in the Gulf pushed oil prices to USD110–120 per barrel at times, and domestic CPI rose 5.1% year-on-year in October. However, we see these pressures now easing. Following the US midterm elections, the 10-year US Treasury yield has fallen from a high of 5.3% last month to around 4.9%, and oil prices have retreated below USD100 per barrel. Domestically, many banks have cut interest rates by around 50 basis points in line with Government guidance, with lending rates for certain priority sectors reduced by up to 150–200 basis points. To contain inflation, average retail electricity prices were lowered by 2% from 1 November. In addition, the special consumption tax on gasoline has been cut to 0% from November 2026 through March 2027. The VND has appreciated around 2.5% against the USD year-to-date, and oil prices and US Treasury yields are both easing. Against this backdrop, we believe the State Bank of Vietnam will have more room to pursue a more flexible monetary policy, which should provide support for the stock market going forward.

Classified: Public

VinaCapital Modern Economy Equity Fund (VINACAPITAL-VMEEF)

As of 31 October 2026

Portfolio Statistics

	VINACAPITAL-VMEEF	VN-Index
2026 P/E (x)	8.0	11.9
2026 P/B (x)	1.3	1.9
2026 ROE (%)	15.9	16.1
2026 Dividend yield (%)	3.2	1.9
Portfolio turnover (Since inception) (%)	89.4	-
Sharpe ratio (Since inception)	0.5	0.6
Beta (Since inception)	0.8	1.0
No. of stocks	28	407

(Source: VinaCapital's forecast)

Fund Information

Total AUM (VND billion)	1,997.5
NAV/Share (VND)	14,946.8
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 declined by 1.1% in October 2026, slightly ahead of the VN-Index, which decreased by 1.5% over the same period. On a year-to-date basis, the Fund declined by 8.2%, trailing the VN-Index's correction of 2.4% but outperforming the VN-Index ex-VIC, which declined by 10.5%. During the month, HPG, CTD, HDB and MWG were the main positive contributors, while FPT, PVS, and VCB weighed on performance.

HPG and CTD were the Fund's largest contributors in October, as both delivered results ahead of expectations on the back of accelerating infrastructure investment. HPG's Q3 2026 net profit more than doubled year-on-year, well above market forecasts, as the ramp-up of Dung Quat 2 steel complex met robust steel demand from public investment projects. CTD's Q3 2026 revenue rose 51% year-on-year, while its backlog reached a record of around VND70 trillion, equivalent to roughly twice its revenue in the latest fiscal year, driven by large infrastructure contracts. With infrastructure development now a key growth engine of the economy, we believe both companies are well positioned to be among its main beneficiaries.

Regarding market outlook, we expect the improving macroeconomic signals, both globally and domestically, to provide support for the equity market going forward. Easing US Treasury yields and oil prices, together with lower domestic interest rates and the Government's strong push for public investment, should create a more favourable environment for equities. Meanwhile, the Fund's portfolio is trading at a significant discount to the broader market, with a 2026E forward P/E of 8.0x compared with 11.9x for the VN-Index, while delivering a comparable ROE of around 16%. We believe this combination of attractive valuation and solid profitability offers the portfolio substantial upside potential over the 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%	5.3%	-3.9%	-1.1%			-8.2%

Disclaimer: The information contained herein has been prepared by VinaCapital Fund Management Joint Stock Company (the "Company") and is subject to updating, revision, further verification and amendment without notice. The information does not constitute and/or form part of any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall they or any part of them form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever. Forward-looking information is based on the estimates and/or opinions of the Company at the time the statements are made, and is therefore, of no obligation to be updated or corrected to changing circumstances.

Classified: Public