INDOCHINA CAPITAL
Investing in Vietnam's Future

MONTHLY NEWSLETTER January 2026

Indochina Capital is one of Vietnam's leading investment firms. Founded in 1999, ICC has two divisions:

Asset management: Exclusive focuses on listed Vietnam equities
Real estate: Property development, investment, and advisory

Indochina Equity Model Portfolio

Portfolio Manager	Diep Nguyen (15 years managing the strategy)
Number of Investments	15
Median Portfolio Market Cap	$4.65 bn

Strategy

The firm's long-term active fundamental investment philosophy is supported by bottom-up company analysis complemented by a top-down overlay. The success of ICC's high conviction and disciplined strategy hinges upon close and consistent engagement with its portfolio companies.

	2026f	**2027f**
EPS Growth	120.14%	61.13%
P/E Ratio	18.70	12.50

Performance

	1 Month	**YTD**	**3 Year (CAGR)**	**5 Year (CAGR)**	**10 Year (CAGR)**
Indochina Capital	**2.19%**	**2.19%**	**13.04%**	**10.76%**	**13.18%**
VN Index	3.51%	3.51%	14.08%	8.93%	11.09%
MSCI FM	3.86%	3.86%	16.65%	6.44%	5.21%
MSCI EM	8.81%	8.81%	14.00%	2.82%	7.49%
S&P 500	1.37%	1.37%	19.40%	13.31%	13.59%

Manager's Comment

- ***The VN Index*** briefly touched 1,900 before easing and closing the month of January at 1,829. Stock performance was polarized with state-owned large caps soaring on heightened sentiment from Resolution 79 promoting the state-owned sector while the Vingroup stocks retreating by 14% on average.
- ***Our portfolio recorded an average gain of 2.19% in January***, compared with the Index's 3.51% increase. Key contributors included VCB (supported by policy tailwinds, solid asset quality, and reasonable valuation), and TCX (4Q25 earnings increased 119% YoY, confirming solid growth momentum).
- A temporary liquidity crunch in the banking system, foreign selling and increased cash demand before the Lunar New Year have resulted in a pull-back of the VN Index before Tet holidays. However,

the longer-term outlook of the Vietnam stock market remains positive with solid macro supports and the September inclusion of FTSE Russell Emerging Market indices.

Top 10 Holdings (76% of NAV)

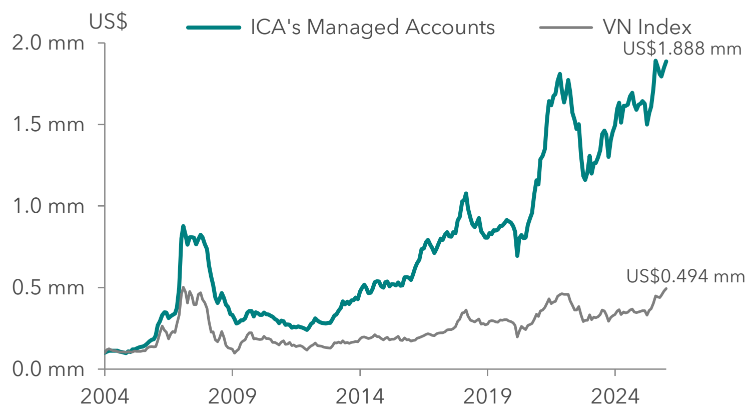
Ticker	Sector	NAV%	VN Index%	% Change
BAF	Cons. Staples	14.70%	0.13%	-4.27%
MWG	Cons. Discretionary	11.58%	1.60%	5.09%
TCB	Banks	8.10%	2.98%	2.87%
TCX	Financials	7.18%	1.53%	20.21%
VCB	Banks	6.53%	6.90%	22.61%
NVL	Real Estate	5.58%	0.31%	-2.62%
MSN	Cons. Staples	5.73%	1.42%	9.09%
HPG	Materials	6.09%	2.41%	1.52%
FPT	Infor. Technology	5.17%	2.09%	9.08%
DHC	Materials	5.62%	0.04%	9.75%

Sector	Weight	VN Index Weight
Cons. Staples	22.83%	8.01%
Banks	17.60%	33.45%
Materials	11.71%	6.04%
Cons. Discretionary	11.58%	4.94%
Financials	10.96%	6.89%
Real Estate	9.53%	22.78%
Infor. Technology	5.17%	2.35%
Industrials	3.91%	5.03%
Others	0.00%	10.50%
Cash	6.71%	N/A

Information

Structure	SMA
Strategy Inception	January 2004
NAV Frequency	Monthly
Fees	1.5% + 15% HWM
Administrator	Indochina Capital Advisor
Custodian	Deutsche Bank AG

Performance Since Inception vs VN Index



** Calculated based on US$100,000 invested with ICA since inception (2004) versus invested in the VN Index*

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If you would like to arrange a call with the Portfolio Team, please contact Diep Nguyen.

Appendix

Macro

Vietnam's economy remained resilient in January, underpinned by firm domestic demand, a tourism rebound, and steady manufacturing. Besides, contained inflation, continued FDI disbursement, and easing exchange-rate pressures give policymakers more flexibility to boost growth.

- ***January revenue from retail sales and services*** rose by ***9.32% YoY*** despite a high base effect. (Retail sales growth usually peaks during Tet holidays which came in January last year.)
  - Retail sales of goods grew by 9.30% YoY (vs. 8.57% in January 2025), supported by festive demand and improving consumer confidence. Accommodation and catering services rose by 9.36% YoY, while tourism services outperformed at 14.03% YoY. Other services increased by 8.93% YoY.
  - International arrivals reached 2.5 million in January 2026 (+21.4% MoM, +18.5% YoY).
- ***The Index of Industrial Production (IIP) edged down 0.24% MoM in January*** but ***surged 21.54% YoY*** partly due to a low base as Tet came in January last year.
- ***Vietnam's Manufacturing PMI registered at 52.5 in January***, easing from 53.0 in December but indicating a solid improvement in business conditions in seven successive months.
  - Output rose at a faster pace, supported by a pickup in new orders amid improving demand. Export orders returned to growth, led by demand from other Asian markets.
  - Employment expanded for the fourth straight month, with job creation accelerating to the fastest pace since mid-2024.
  - Business sentiment continued to strengthen, with 12-month output expectations at their highest since March 2024, reflecting optimism around sustained order growth and improving market conditions.
- ***CPI rose by 0.05% MoM*** and ***2.53% YoY*** in January, indicating contained headline inflation.
  - Food and food services (+0.20% MoM and +3.64% YoY) remained the primary inflation driver, reflecting higher pork prices amid tight supply and elevated Tet consumption.
  - Housing, utilities, and construction materials (+0.70% MoM and 5.60% YoY) rose, underpinned by higher rents, maintenance materials, and repair services.
  - Lower fuel costs led to declining transportation prices (-2.32% MoM and -3.77% YoY) and partially offset inflationary pressures.
- ***Vietnam*** recorded a ***trade deficit*** of ***US$1.8 billion*** in ***January***.
  - Exports reached US$43bn (-1.9% MoM, +29.7% YoY), driven by computers and electronics (+58% YoY), machinery (+40% YoY), coffee (+40% YoY), and fruits and vegetables (+73% YoY).
  - Imports climbed to US$45bn (+0.6% MoM, +49.2% YoY), led by computers and electronics (+71% YoY) which is in line with supply-chain shifts from China and robust electronics demand tied to the global AI capex upcycle.

- ***Registered FDI*** was ***US$2.6 billion (-40.5% YoY)*** while ***disbursed FDI*** reached ***US$1.7billion*** in ***January (+11.3% YoY)***, indicating resilient actual inflows.
  - Manufacturing led with US$2.0 billion, accounting for 71% of registered FDI. Real estate followed at US$300 million, accounting for 10%.
  - The decline in new commitments could be a function of personnel shuffling before the new term (2026-2030) and a more selective FDI strategy.
- ***Public investment disbursement rose by 19.28% YoY*** in ***January 2026*** (vs. 9.55% in January 2025). In the last two months, infrastructure projects of US$50 billion have been kick-started.
- ***Credit growth edged up 0.57% YTD***, while ***deposit growth declined by 0.15% YTD***.
  - The widening credit-deposit gap has tightened short-term system liquidity, pushing interbank and deposit rates higher. These pressures have been amplified by seasonal cash demand ahead of Tet.
- ***The USD/VND exchange rate fell 0.98% MoM to 26,118***, supported by USD weakness (DXY 1.35%).
  - Exchange-rate pressures have eased alongside USD weakness, providing the SBV with greater flexibility to manage liquidity.

Stock Market

- The VN Index closed the month of January at 1,829, registering a ***monthly gain of 3.51%*** in ***USD terms***.
  - The oil and gas sector with high state ownership rocketed (+51.9% MoM), the banking sector rose by 9.9% MoM, and the consumer and retail sector climbed by 7.5% MoM. In contrast, the real estate sector declined sharply (-14.5% MoM), while materials were broadly flat (+0.7% MoM).
- January's liquidity ***surged by 64% MoM*** with a combined ***average daily trading value*** on Ho Chi Minh and Hanoi Stock Exchanges of ***US$1.3 billion***.
- ***Vietnam's listed market capitalization*** reached ***US$341 billion*** by the end of January.