

MONTHLY NEWSLETTER

February 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: 16
Median Portfolio Market Cap: \$2.22 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	117.11%	56.98%
P/E Ratio	18.31	12.64

Performance

	1 Month	YTD	3 Year (CAGR)	5 Year (CAGR)	10 Year (CAGR)
Indochina Capital	0.67%	2.88%	16.57%	8.12%	12.63%
VN Index	2.47%	6.07%	18.70%	7.25%	11.11%
MSCI FM	2.40%	6.34%	18.57%	6.92%	5.11%
MSCI EM	5.41%	14.69%	18.66%	3.76%	8.08%
S&P 500	-0.87%	0.49%	20.11%	12.54%	13.54%

Manager's Comment

- **The VN-Index** slumped further from the peak of 1900 in mid-January, losing 5% in the first two weeks of February before rebounding post-Tet and closed the month at 1880. The correction was mainly driven by historic high interbank rates which later eased after the State Bank of Vietnam (SBV)'s intervention.
- **Our portfolios recorded an average gain of 0.67% in February.** Notable outperformers included DHC (Q4 2025 NPAT-MI up 2.7x YoY on structural supply tightening) and TCX (2025 net profit +48% YoY, with potential crypto exchange licensing supporting sentiment).
- The Vietnamese stock market reacted strongly to the Iran war at the end of February, having dropped 11% in March. The sell-off was exacerbated by margin calls, leaving quite a number of stocks with solid fundamentals and strong growth at relatively attractive valuations.

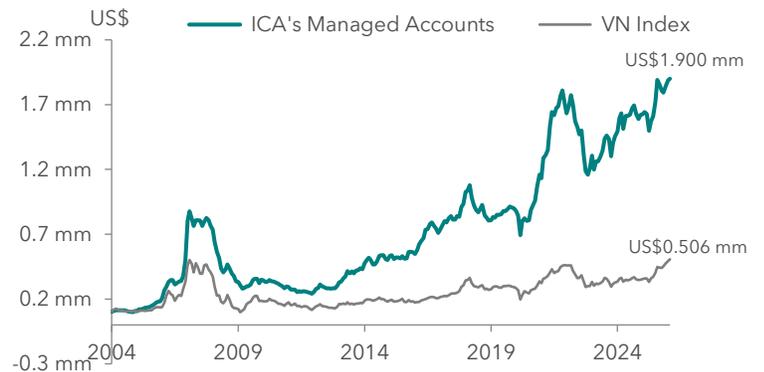
Top 10 Holdings (76% of NAV)

Ticker	Sector	NAV%	VN Index%	% Change	Sector	Weight	VN Index Weight
BAF	Cons. Staples	14.70%	0.13%	5.16%	Cons. Staples	23.00%	7.31%
MWG	Cons. Discretionary	11.58%	1.55%	0.22%	Banks	17.06%	31.66%
TCB	Banks	8.10%	2.91%	0.97%	Materials	12.46%	6.53%
TCX	Financials	7.18%	1.66%	12.39%	Cons. Discretionary	11.47%	4.59%
HPG	Materials	6.53%	2.50%	7.46%	Financials	11.86%	7.24%
DHC	Materials	5.58%	0.04%	7.92%	Real Estate	9.18%	24.81%
VCB	Banks	5.73%	6.14%	-7.94%	Infor. Technology	2.28%	2.04%
MSN	Cons. Staples	6.09%	1.29%	-5.95%	Industrials	8.20%	7.43%
NVL	Real Estate	5.17%	0.31%	-5.38%	Others	0.00%	8.39%
GEX	Industrials	5.62%	0.40%	7.77%	Cash	4.48%	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

If you are not already subscribed to the ICC Monthly Newsletter and would be interested in receiving it each month, please click [HERE](#).

If you would like to arrange a call with the Portfolio Team, please contact [Diep Nguyen](#).

Appendix

Macro

Vietnam's economy maintained strong momentum in February, with manufacturing activity accelerating to multi-year highs, trade and FDI disbursements growing solidly, and domestic consumption buoyed by robust Lunar New Year spending. Inflation edged up on seasonal food price pressures.

- **The Index of Industrial Production** rose by 10.4% YoY in 2M 2026 (2M 2025: 7.2% YoY).
 - Industrial production growth slowed to +1.0% YoY in the month of February (vs. +21.5% in January) due to the 10-day long Tet holidays.
 - In 2M 2026, manufacturing output rose by 11.5% YoY, driven by strong growth in steel rebar (+25.6% YoY), automobiles (+24% YoY), and phone components (+15.4% YoY). Power generation and distribution increased by 6.3% YoY, mining rose by 5.4% YoY, and water supply and waste treatment grew by 2.1% YoY.
- **The Manufacturing PMI rose to 54.3 in February** from **52.5 in January**, indicating consistent improvement of the sector in each of the last eight months.
 - Output growth accelerated to a 19-month high, supported by stronger domestic demand.
 - New orders increased for the sixth straight month, reaching the fastest pace since October, though export orders remained flat due to unstable global demand.
 - Business confidence strengthened further, rising to a 41-month high on expectations of continued demand recovery.
- Trade growth moderated in February due to Tet-holidays, but YTD momentum remained strong. **2M exports** grew by **18.1% YoY** (2M 2025: 8.4% YoY) and **imports** by **26.3% YoY** (2M 2025: 15.9% YoY).
 - In February, exports growth of 5.7% YoY was led by computers & electronics (+25.0% YoY) and telephones & components (+25.0% YoY) on the back of Samsung Galaxy S26 shipments. Meanwhile, imports grew by 4.4% YoY.
 - Vietnam recorded a 2M trade deficit of US\$3.0bn vs a US\$1.5bn surplus in 2M 2025.
- **2M 2026 revenue from retail sales and services** rose **by 7.9% YoY** (2M 2025: 9.4%).
 - In 2M 2026, retail sales of goods expanded by 7.8% YoY. Accommodation & catering (+9.1% YoY) and tourism (+12.2% YoY) remained buoyant, supported by robust Tet travel demand while other services grew 7.3% YoY.
- **CPI edged up by 1.14% MoM and 3.35% YoY in February**, driven by strong Tet holidays' demand for food, dining-out services, and transportation.
 - Food & catering services (+5.3% YoY) was the largest contributor. Housing, utilities & construction materials rose by 5.6% YoY, driven by rental costs (+5.0% YoY) and construction materials (+12.0% YoY).
 - Transportation fell 3.2% YoY, partially offsetting inflationary pressures.
- **The USD/VND exchange rate** increased to **26,202 (+0.32% MoM and -0.66% YTD)**, in line with a stronger US dollar in February (DXY: +0.64% MoM and -0.73% YTD).

- **2M 2026 registered FDI** declined by 12.6% to US\$6.0 billion (though February alone rose 34.2% YoY). **Disbursed FDI reached US\$3.2 billion (+8.8% YoY)** during the same period.
 - Manufacturing was the main FDI attraction with 73% of pledged FDI, followed by wholesale and retail trade with 8.2%.
- **2M 2026 public investment rose by 11.5% YoY to USD3.2bn**, fulfilling 9.4% of the annual target (vs. 7.4% in 2M2025).
- **Credit growth reached 1.40% YTD** as of February 26.
 - Liquidity pressure resulting from credit growth outpacing deposit growth in the past two years has driven up funding costs, especially interbank rates, and lending rates. As of February's end, most banks have raised lending rates for new loans by 100 - 300 bps vs end of 2025.
 - Real estate lending is under tightened controls as the SBV puts a cap on quarterly credit growth and requires real estate lending to stay similar or below the overall credit growth in a quarter

Stock Market

- The VN-Index closed the month of February at 1,880, registering a **monthly gain of 2.47%** in **USD terms**.
 - Among the key sectors of the VN Index, the real estate sector staged a strong rally (+13.9% MoM), while materials also recorded solid gains (+6.8% MoM). In contrast, banking (-2.0% MoM), consumer & retail (-2.2% MoM), and oil & gas (-2.8% MoM) edged down.
- The combined **average daily trading value** on the Ho Chi Minh and Hanoi Stock Exchanges **decreased by 19% MoM to US\$1.0 billion**. Liquidity is usually low during the Tet holidays season but compared with the first two months of last year, average liquidity in 2M 2026 was 42% higher.
- **Vietnam's listed market capitalization reached US\$352 billion** as at the month's end.