INDOCHINA CAPITAL
Investing in Vietnam's Future

MONTHLY NEWSLETTER June 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	$1.63 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	135.52%	25.03%
P/E Ratio	13.14	10.56

Performance

	1 Month	YTD	3 Year (CAGR)	5 Year (CAGR)	10 Year (CAGR)
Indochina Capital	**-1.76%**	**-8.25%**	**8.06%**	**0.61%**	**8.72%**
VN Index	-0.39%	3.95%	14.13%	2.90%	9.54%
MSCI FM	-0.26%	8.02%	18.82%	4.74%	5.24%
MSCI EM	-1.67%	22.68%	20.30%	4.62%	7.52%
S&P 500	-1.06%	9.55%	19.00%	11.78%	13.58%

Manager's Comment

- ***The VN-Index*** was broadly flat in June, ending the month at 1,860 with plummeting liquidity. Sentiment improved toward the month-end as oil prices eased and the State Bank of Vietnam introduced new measures to improve system liquidity.
- ***Our portfolios recorded an average loss of 1.76% in June.*** Positive contributions came from TCX (solid core earnings growth) and DHC (favorable paper industry supply-demand balance and expected strong earnings growth).
- Besides global headwinds, domestic liquidity constraint is the key factor to weigh on Vietnamese stock market performance. We expect system liquidity to improve in 2H with more concerted accommodative fiscal and monetary efforts (details in Macro Section). Meanwhile, Q2 GDP growth

came in at 8.4% YoY, surpassing consensus. Listed corporate earnings will also be available in July, which should potentially lead to stock price divergence.

Top 10 Holdings (74% of NAV)

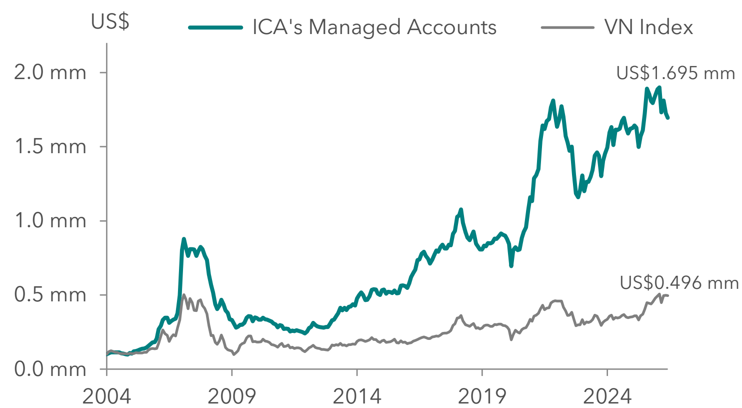
Ticker	Sector	NAV%	VN Index%	% Change
BAF	Cons. Stap.	14.86%	0.12%	2.54%
TCB	Banks	8.26%	2.71%	2.29%
HPG	Materials	7.82%	2.24%	-2.92%
TCX	Financials	7.40%	1.41%	5.71%
MSN	Cons. Stap.	7.34%	1.19%	-3.48%
MWG	Cons. Disc.	6.75%	1.31%	2.36%
DHC	Materials	6.27%	0.04%	4.66%
NVL	Real Estate	6.25%	0.34%	-11.72%
GEX	Industrials	5.31%	0.47%	-2.02%
DCM	Materials	4.20%	0.21%	-11.56%

Sector	Weight	VN Index Weight
Cons. Stap.	24.32%	6.81%
Materials	18.29%	5.58%
Banks	15.57%	30.83%
Real Estate	10.02%	30.83%
Industrials	9.13%	6.88%
Financials	7.40%	6.67%
Cons. Disc.	6.75%	4.26%
Energy	2.15%	2.29%
Others	0.00%	5.84%
Cash	6.37%	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

Growth in Q2 accelerated on the back of strong exports and vigorous investments. Registered FDI soared and public investments picked up. Credit growth accelerated, but system liquidity was under stress with elevated interest rates. Regardless, inflation and FX remained under control.

- ***Vietnam's economy expanded by 8.39% YoY*** in ***Q2 2026*** (Q2 2025: 7.96%). 1H GDP growth reached 8.18% YoY, faster than 1H 2025's of 7.52% YoY, mainly driven by robust industrial production.
  - ➢ Industrial production and construction expanded at a faster rate than last year's, growing 9.81% YoY vs 8.33% of 1H 2025's. The AI CAPEX boom drove export demand for electronics and AI related equipment and essentially underpinned manufacturing production. The manufacturing sector was the powerhouse of Vietnam's economy, having expanded by 10.23% YoY in 1H.
  - ➢ Growth of the service sectors remained resilient at 8.09% YoY but marginally eased compared to 1H 2025's of 8.14%. This was mostly due to less festivities initiated by the State (last year there was a 50-year reunion festival in April).
  - ➢ Agriculture, forestry and fisheries registered a slight improvement with growth of 3.87% vs 1H 2025's of 3.84% YoY.
- ***Vietnam's Manufacturing PMI eased to 51.8 in June*** from 52.8 in May but remained above 50 for the twelfth straight month, indicating continued improvement in manufacturing activity.
  - ➢ New orders, including export orders, continued to expand on improving customer demand, driving the fastest growth in output in four months.
  - ➢ Business confidence rose to a four-month high. However, a further reduction in employment suggests unfilled capacity with the existing backlog and input sourcing remains difficult.
- ***The Index of Industrial Production (IIP) increased 3.53% MoM*** and ***12.71% YoY*** in June. In 1H2026, IIP rose 10.84% YoY (1H2025: 9.23%), reflecting sustained strength in industrial activity.
- Both imports and exports soared in 1H. ***Exports rose by 21.0%, imports by 33.4% YoY***, resulting in a trade deficit of US$17 billion. Exports of electronics rose by 49% YoY. Most imports are intermediate goods and capital goods.
- ***Revenue of retail sales and services*** maintained solid momentum in June, ***rising 1.06% MoM*** and ***14.80% YoY***, lifting 1H2026 retail sales growth to 12.94% YoY (1H2025: 9.27%).
- ***Total investments accelerated*** to ***12.9% YoY*** (1H2025: 9.8%), driven by FDI and public investments.
  - ➢ Registered FDI rose to US$34.6 billion (+61.0% YoY) while disbursed FDI reached US$13.0 billion (+11.2% YoY) in 1H 2026, asserting Vietnam as a key beneficiary of the global supply chain shift. The manufacturing sector accounted for 62% of newly registered FDI, followed by the utility sector with 18% contribution.
  - ➢ Public investments reached USD19.3 billion, up 12.7% YoY. Public investments are expected to grow by 24% this year. Budget surplus reached 2.9% GDP, making room for fiscal supports.
- ***Credit growth*** reached ***7.41% YTD*** (1H25: +8.30%). Deposit growth was 5.02% YTD (1H 2025: 6.11%).

   - YTD, 12M quoted average deposit rates have risen by 250 bps and lending rates by 150 bps. Deposit rates and lending rates rose by 40 bps QoQ.
   - The SBV introduced measures to ease liquidity pressures, including lifting the cap for short term funds used for medium/long term lending and more lenient LDR requirements.

- June's ***CPI*** was down 0.39% MoM but up ***4.69% YoY***. Fuel price hiked by more than 20% YoY during March - May but have eased to 9% YoY in June, easing inflationary pressure.
- ***The USD/VND exchange rate edged up 0.20% MoM and up 0.27% YTD in June***, underscoring the VND's resilience despite a stronger US dollar (DXY: +2.27% MoM, +2.91% YTD).
- After the new government settles into their offices, more synchronized monetary and fiscal efforts can support better economic growth. In 2H 2026, more tax cuts and the acceleration of public investment disbursements are expected to speed up growth. System liquidity issue is expected to improve and interest rates to stabilize or to inch down in the coming months. The government still aims for 10% GDP growth in 2026, which translates into 2H growth of 11.7%, a tall order. A more realistic 2026 full year growth would be approximately 8.5% which would still be among the highest globally.

Stock Market

- The VN-Index closed the month of May at 1,860, registering a ***monthly gain of 0.39%*** in ***USD terms***.
- The combined ***average daily trading value*** on Ho Chi Minh and Hanoi Stock Exchanges dropped by 32.6% MoM to ***USD550 million.***
- ***Vietnam's listed market capitalization*** was ***US$347 billion*** as at the month's end.