INDOCHINA CAPITAL
Investing in Vietnam's Future

MONTHLY NEWSLETTER July 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	$3.65 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	105.17%	18.82%
P/E Ratio	12.01	9.94

Performance

	1 Month	YTD	3 Year (CAGR)	5 Year (CAGR)	10 Year (CAGR)
Indochina Capital	**-7.00%**	**-14.65%**	**3.13%**	**-0.50%**	**7.89%**
VN Index	-6.63%	-2.90%	8.49%	2.94%	8.45%
MSCI FM	0.00%	8.02%	16.46%	4.88%	5.14%
MSCI EM	-3.31%	18.62%	16.75%	5.45%	6.67%
S&P 500	-0.13%	9.41%	17.74%	11.25%	13.17%

Manager's Comment

- ***The VN Index*** declined in July under pressure from tightening system liquidity, margin calls, and persistent foreign selling. The market stabilized toward the month's end when margin calls eased, and the State Bank of Vietnam (SBV) introduced measures to support liquidity.
- ***Our portfolios declined 7.0% in July***, broadly tracking the VN Index's 6.63% decline. Positive contributions came from BAF (selling volume increased 67% YoY in Q2 during its scale-up phase) and NVL (Q2 NPAT reached ~VND1tn, versus a loss in the prior year, with accelerated handovers at its largest project supporting earnings into 2H).
- Average Q2 earnings growth of listed companies reached 40% YoY, marking a fifth consecutive quarter of robust expansion with a supportive macro backdrop. The recent under-performance of

the Vietnam's stock market was mainly driven by liquidity shortfall rather than weakening fundamentals.

- Liquidity is expected to improve in 2H with more relaxing loan-to-deposit requirements and the acceleration of public investment disbursements. Resilient earnings growth and Vietnam's official inclusion in FTSE Emerging Markets in September are also expected to add positive catalysts for a stock market recovery.

Top 10 Holdings (75% of NAV)

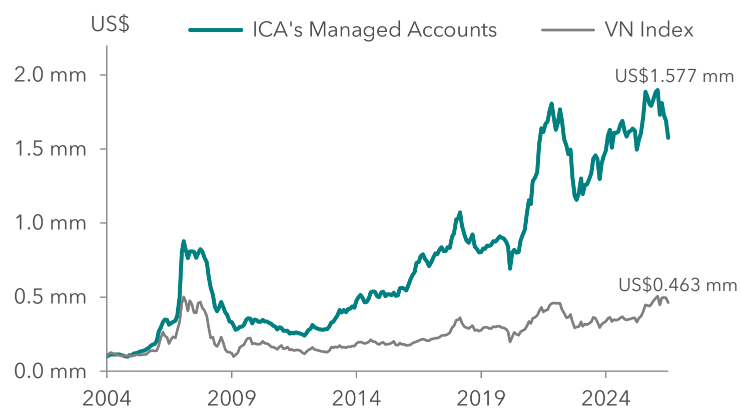
Ticker	Sector	NAV%	VN Index%	% Change
BAF	Cons. Stap.	15.31%	0.13%	0.17%
HPG	Materials	9.96%	2.23%	-6.87%
TCB	Banks	7.71%	2.49%	-13.58%
TCX	Financials	7.37%	1.38%	-7.66%
DHC	Materials	6.71%	0.04%	-3.24%
MWG	Cons. Disc.	6.57%	1.25%	-9.11%
MSN	Cons. Stap.	6.35%	1.17%	-8.32%
NVL	Real Estate	5.92%	0.38%	4.84%
VPB	Banks	4.70%	0.20%	-7.75%
DCM	Materials	4.54%	0.51%	-7.48%

Sector	Weight	VN Index Weight
Cons. Stap.	23.62%	7.28%
Materials	21.37%	5.35%
Banks	17.37%	30.60%
Real Estate	5.92%	31.69%
Industrials	4.20%	6.41%
Financials	7.37%	6.49%
Cons. Disc.	6.57%	3.96%
Energy	4.54%	2.43%
Others	0.00%	5.79%
Cash	9.04%	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 entered the second half of 2026 with a solid growth momentum. AI infrastructure demand continued to drive FDI, lifting industrial activity and exports. Domestic consumption was resilient. Meanwhile, controlled inflation and easing foreign exchange pressures offer decent room for policy flexibility.

- ***Vietnam's Manufacturing PMI rose*** to ***52.9 in July*** from 51.8 in June, marking the most pronounced improvement in business conditions since February.
  - New orders expanded for a third straight month, accelerating from June's pace and driven by export demand rising at the fastest speed since July 2024.
  - Business confidence improved to a five-month high on expectations of stronger demand and continued capacity expansion, although sentiment remained below pre-Iran war's levels amid lingering geopolitical uncertainty.
  - Inflationary pressures eased further, with input costs and output prices recording their slowest increases in 10 months.
- ***The Index of Industrial Production (IIP) rose by 1.18% MoM*** and ***14.47% YoY in July***. 7M IIP ***strengthened with growth of 11.42% YoY*** (7M2025: +8.64% YoY).
  - Manufacturing remained the primary engine with growth accelerating to 1.84% MoM and 15.0% YoY in July, led by electronics and optical products and basic metals.
  - On a YTD basis, the expansion was broad-based across sectors, with manufacturing up 12.0% YoY, water supply and waste treatment up 10.0% YoY, power generation and distribution up 9.9% YoY, and mining up 6.6% YoY.
- ***YTD exports rose by 21.7% YoY*** (7M2025: 14.8%) and ***imports by 34.8% YoY*** (7M2025: 17.9%), widening the trade deficit by USD3.8 billion to USD 20.5 billion.
  - July exports of computers and electronics rose by 55% YoY and imports of the same category by 83% YoY. Machinery and equipment exports grew by 30% YoY and phones by 22% YoY, the latter likely supported by the launch of Samsung's Galaxy Z series.
  - US Section 301 tariff of 12.5% on Vietnamese exports (effective on 24 July) was largely in line with expectations, but was 2.5% higher than the rate imposed on regional peers such as India, Indonesia, and Malaysia. On-going investigations under the same section on intellectual property and on excess-capacity are expected to be finalized by the end of November this year.
- ***7M registered FDI*** reached ***US$38.1 billion (+58.0% YoY)*** and ***disbursed FDI*** reached ***US$15.2 billion (+11.8% YoY).***
  - 55% of newly committed FDI was into the manufacturing sector, 14.9% into the utilities sector, and 30.1% into the remaining sectors.
- ***Public investment*** was up ***18% YoY*** in ***7M2026*** (7M2025: +25%), equivalent to 39% of the full-year plan.
  - Disbursement accelerated to 29% YoY in July vs. 19% YoY in June.

  - Despite solid growth, disbursement remained behind schedule. The government introduced several new measures in July to speed up disbursement in the remaining months of 2026. This should also help increase system liquidity.

- ***Revenue from retail sales and services*** increased by ***0.94% MoM*** and by ***14.48% YoY*** in July. For 7M, this number rose by ***13.09% YoY.***
  - All major consumption categories maintained strong double-digit growth. Retail sales of goods increased by 13.6% YoY (vs. 13.4% in June), accommodation and food services by 19.0% YoY (vs. June's 19.7%), and tourism by 24.3% YoY (vs. June's 24.9%).
  - In real terms, 7M retail sales growth was robust at 7.5% YoY vs. 7.3% in 1H 2026 and 7.4% for full-year 2025.
- ***CPI fell by 0.12% MoM*** but ***rose by 4.45% YoY*** last month, easing from June's 4.69% YoY.
  - Lower fuel prices resulted in lower transport costs and food costs, outweighing inflationary pressures from rising housing, utilities and construction material costs.
- ***Credit growth*** reached ***8.38% YTD*** by the end of July (7M 2025: 10.24%).
  - Deposit growth was 5.75% YTD. The persistent gap between credit and deposit growth exacerbated system liquidity pressures.
  - The SBV tried to improve system liquidity by relaxing loan-to-deposit regulatory requirements, effectively making room for an additional USD8 billion (~1.5%) of banking credit.
- ***The USD/VND exchange rate edged down 0.06% MoM (+0.21% YTD)*** in July as the U.S. dollar softened (DXY: -1.26% MoM, +1.62% YTD).

Stock Market

- The VN-Index closed the month of July at 1,736, registering a ***monthly loss of 6.63%*** in ***USD terms***.
- The combined ***average daily trading value*** on Ho Chi Minh and Hanoi Stock Exchanges inched up by 5% MoM to ***USD583 million***.
- ***Vietnam's listed market capitalization*** was ***US$326 billion*** as at the month's end.