Eastspring Investments Vietnam ESG Equity Fund (EVESG)

eastspring investments
A Prudential plc company

Eastspring Investments Vietnam ESG Equity Fund ("EVESG") is a Open ended fund licensed by Vietnam State Securities Commission under license No. 187/GCN-UBCK (November 13rd, 2024).
Fund Manager: Eastspring Investments Fund Management Limited Liability Company ("Eastspring Vietnam")

Key information

Fund size (billion)	2,487.4
Unit Net Asset Value	11,937
Fund base currency	VND
Dealing frequency	Twice a week (Wed and Fri)
Supervisory Bank	Standard Chartered Bank (Vietnam) Ltd.
Min. Investment	100,000
Max Investment	No limit

(Date of NAV: End of month)

Fee & Charge

Subscription fee	Eastspring Vietnam: 0% Other DPs: Determined by distributors (Max 5%)
Redemption fee	Holding period: <18mth: 1.5% >=18mth: 0%
Annual management fee	1.3% per annum

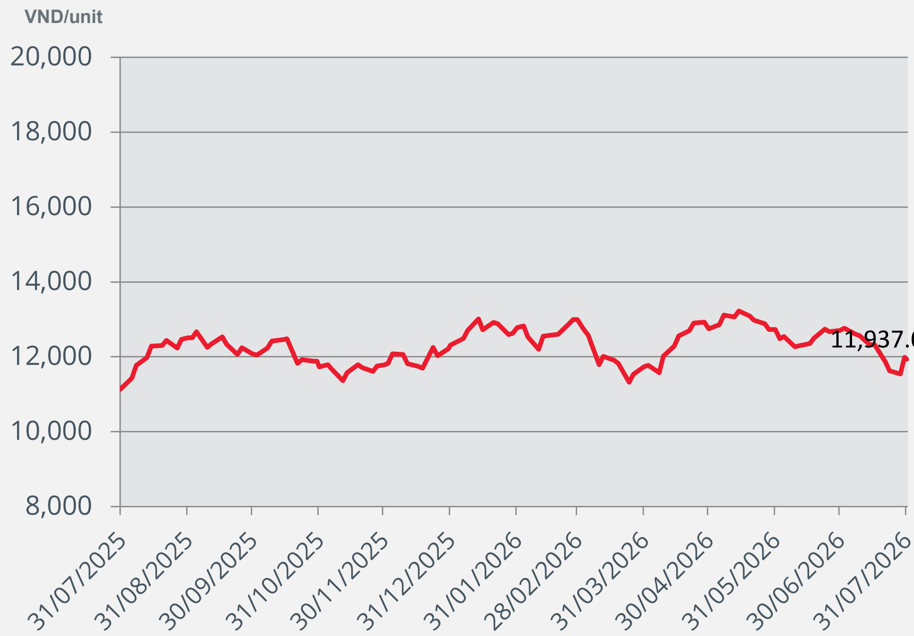
Investment objective

- EVESG's investment objective is to provide long-term optimal returns to investors through a diverse portfolio with sustainable growth prospects, suitable business models, and efforts to improve issues related to the Environment, Society and Corporate Governance (abbreviated as ESG).
- Each company in the portfolio will be reviewed on the ESG scorecard in accordance with the Fund Management Company's investment procedure.

Performance accumulated return (%)

	1 month	3 months	YTD	1 year	3 years	Since Inception
Net Return	-6.0%	-6.4%	-3.0%	7.0%	N/A	19.4%

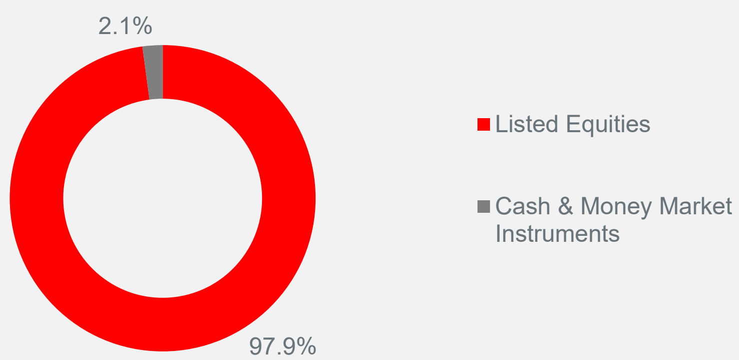
Performance chart (unit NAV)



Top 5 holdings

VINGROUP	VIC	18.9%
Vietcombank	VCB	9.3%
Vinhomes	VHM	8.5%
Bank for Investment & Development	BID	3.9%
Sacombank	STB	3.7%

Asset allocation (%)



Market update

Macroeconomics

Domestic demand and manufacturing activity continued to strengthen

Economic activity remained robust in July, supported by resilient consumer spending and strengthening industrial production. Retail sales increased 14.5% YoY, bringing 7M 2026 growth to 13.1% YoY, with tourism, accommodation, catering, and retail trade continuing to be key growth drivers. However, real retail sales increased only 7.5% YoY, suggesting that higher prices remained a key driver of headline retail sales growth. Meanwhile, manufacturing momentum improved further as manufacturing IIP rose 15.0% YoY and PMI increased to 52.9 from 51.8 in June, driven by stronger production activity and rising new export orders

Export growth remained strong while rising imports reflected expanding production demand

External trade activity remained vibrant, with exports reaching a record USD 53.1 bn in July, up 25.0% YoY, supported primarily by strong shipments of PCs and electronics, machinery and equipment, and phones and spare parts. However, imports grew even faster, increasing 41.4% YoY to USD 56.7 bn, driven by higher purchases of production-related inputs, particularly PCs & electronics and petroleum products. As a result, Vietnam recorded a monthly trade deficit of USD 3.6 bn, while the cumulative trade deficit widened to USD 20.5 bn in 7M 2026

Inflationary pressures eased as lower fuel prices drove CPI moderation

Inflation softened in July, with headline CPI declining 0.12% MoM while rising 4.45% YoY, bringing average inflation in 7M 2026 to 4.39% YoY. The improvement was mainly driven by lower domestic gasoline and gas prices, which reduced transportation costs and eased pressure on household expenses. The moderation in inflation is a positive development as it helps preserve consumer purchasing power and supports domestic demand amid an environment of still-elevated price levels.

Strong FDI inflows and accelerating public investment support a positive macro outlook

Disbursed FDI reached USD 2.2 bn in July, increasing 15.4% YoY and bringing cumulative disbursement to USD 15.2 bn in 7M 2026, up 11.8% YoY. Meanwhile, public investment disbursement remained strong, increasing 23.7% YoY to VND 418.9 tn in 7M 2026 and fulfilling 37.4% of the annual plan. Despite persistent implementation bottlenecks, the government's introduction of a KPI-based monitoring framework should help accelerate project execution and improve disbursement efficiency.

Going forward, Vietnam’s macroeconomic outlook remains favorable, supported by expanding manufacturing activity, continued FDI inflows and stronger public investment execution. While the widening trade deficit remains a key area to watch, it is primarily driven by imports associated with production expansion rather than deteriorating export competitiveness. Although inflation risks, commodity price volatility, and external uncertainties remain key challenges, Vietnam’s resilient economic fundamentals and supportive policy environment should help sustain strong growth momentum through the remainder of 2026.

Market update:

Stock market

Equity market overview.

Market correction deepens as sentiment weakens and liquidity softens

The Vietnam equity market remained under pressure in July 2026, with the VN-Index declining 6.7% MoM to 1,735.8, extending its second consecutive monthly decline and bringing YTD performance to -2.7%. Market sentiment was weighed down by geopolitical tensions, diamond market investigation, tariff-related uncertainty, and weakness across major global equity markets. Trading activity also weakened, as average daily trading value across the three exchanges fell 3.2% MoM to USD735.9mn, marking the lowest level since February 2025. Foreign investors continued to exert pressure on the market, recording net selling of USD452.6mn and extending their net-selling streak to seven consecutive months. Despite the correction, valuation became more attractive as the VN-Index's trailing P/E (excluding Vingroup-related companies) fell to 10.5x on 20 July, which helped trigger valuation-driven bargain hunting toward month-end .

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Looking ahead, Vietnam's equity market is expected to be supported by a resilient macroeconomic backdrop, solid corporate earnings, the FTSE Russell upgrade effective September 21, 2026, and continued government efforts to sustain strong economic growth. However, a sustained market recovery will likely require stronger trading liquidity, moderating foreign selling, and greater clarity on US trade policy and the Middle East conflict. While investors may remain selective in the near term, the recent correction has improved valuation attractiveness and provides a more favorable starting point once liquidity conditions and capital flows begin to stabilize.

Sector performance.

Although all sectors declined in July, Oil & Gas (-1.1%), Consumer Goods (-2.4%), and Real Estate (-4.7%) outperformed the broader market decline of 6.7%, demonstrating relative resilience amid challenging market conditions. On the other hand, Industrials (-12.0%), Financial Services (-9.7%), and Consumer Services (-9.2%) significantly underperformed the market. Industrials recorded the steepest decline, mainly due to weakness in GEE, GEX, GEL, and VCG. Financial Services was dragged down by SSI, VPX, and VIX, while Consumer Services suffered from declines in VPL, MWG, VJC, and HVN.

Stock Market

Bond market overview.

In July 2026, the State Treasury of Vietnam conducted 24 government bond (G-bond) auctions, with a total issuance value offered of VND 68.5 trillion and a successful bidding rate of 27.2%. As a result, total government bond issuance during the month reached VND 18.6 trillion, representing a 20.4% decline month-on-month (MoM) and a 28.1% decrease year-on-year (YoY) versus July 2025. For the first seven months of 2026, the State Treasury raised VND 201.17 trillion through government bond issuance, down 11.5% YoY, equivalent to 40.2% of the full-year 2026 issuance target of VND 500.

Meanwhile, corporate bond issuance totaled VND 17.64 trillion in July 2026, falling 86.0% MoM and 61.0% YoY. On a year-to-date basis, cumulative corporate bond issuance reached VND 289.91 trillion during the first seven months of 2026, a 8.0% decrease compared with the same period in 2025. In the secondary market, total trading value of private placement corporate bonds amounted to VND 168.48 trillion in July 2026, remaining broadly flat compared with the previous month (down 0.06% MoM), while increasing 27.6% YoY relative to July 2025.

***Source**: GSO, FiinPro, Bloomberg, VBMA*

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