

# Aubrey Global Emerging Markets Opportunities Fund



FACTSHEET: June 2023

## KEY FACTS

### Investment objective

The objective of the Fund is to generate attractive returns by investing solely in companies which are entirely focussed on the growth in consumption and services in emerging markets. The portfolio provides exposure to this philosophy through active stock picking, combining a top-down and bottom-up approach, with fundamental and disciplined analysis. The focus is on growth companies, which are domiciled, or carrying out the main part of their economic activity, in an emerging market country. The Fund is suitable for investors seeking long term capital appreciation.

### Fund Information

FUND TYPE	Open-ended UCITS Fund	INCEPTION DATE	2nd March 2015
LEGAL FORM	SICAV	FUND SIZE	\$269.5m
MANAGEMENT COMPANY	Edmond de Rothschild	STRATEGY SIZE	\$509.6m
CUSTODIAN	Edmond de Rothschild	INDEX	MSCI TR Net Emerging Markets USD
ADMINISTRATOR	Edmond de Rothschild	PRICING FREQUENCY	Daily
DOMICILE	Luxembourg	MANAGERS	Andrew Dalrymple, John Ewart, Rob Brewis

## NET PERFORMANCE

NET PERFORMANCE % AS AT 30/06/2023	1M	YTD	1Y	3Y	5Y	7Y	2022	2021	2020	2019	INCEPTION
Aubrey Global Emerging Markets Opps Fund (IC1)	4.1	0.6	-3.6	-2.6	12.5	62.6	-26.6	-5.0	51.6	27.6	41.7
MSCI TR Net Emerging Markets	3.8	4.9	1.7	7.1	4.7	40.2	-20.1	-2.5	18.3	18.4	27.7



— Aubrey GEM Opps Fund +41.7%  
— MSCI EM Index +27.7%

Source: Aubrey Capital Management & MSCI

All figures are presented net of fees in USD since Fund inception. MSCI Emerging Markets Index is used for comparative purposes only. Investment returns may increase or decrease as a result of currency fluctuations. Past performance is no guarantee of future results.

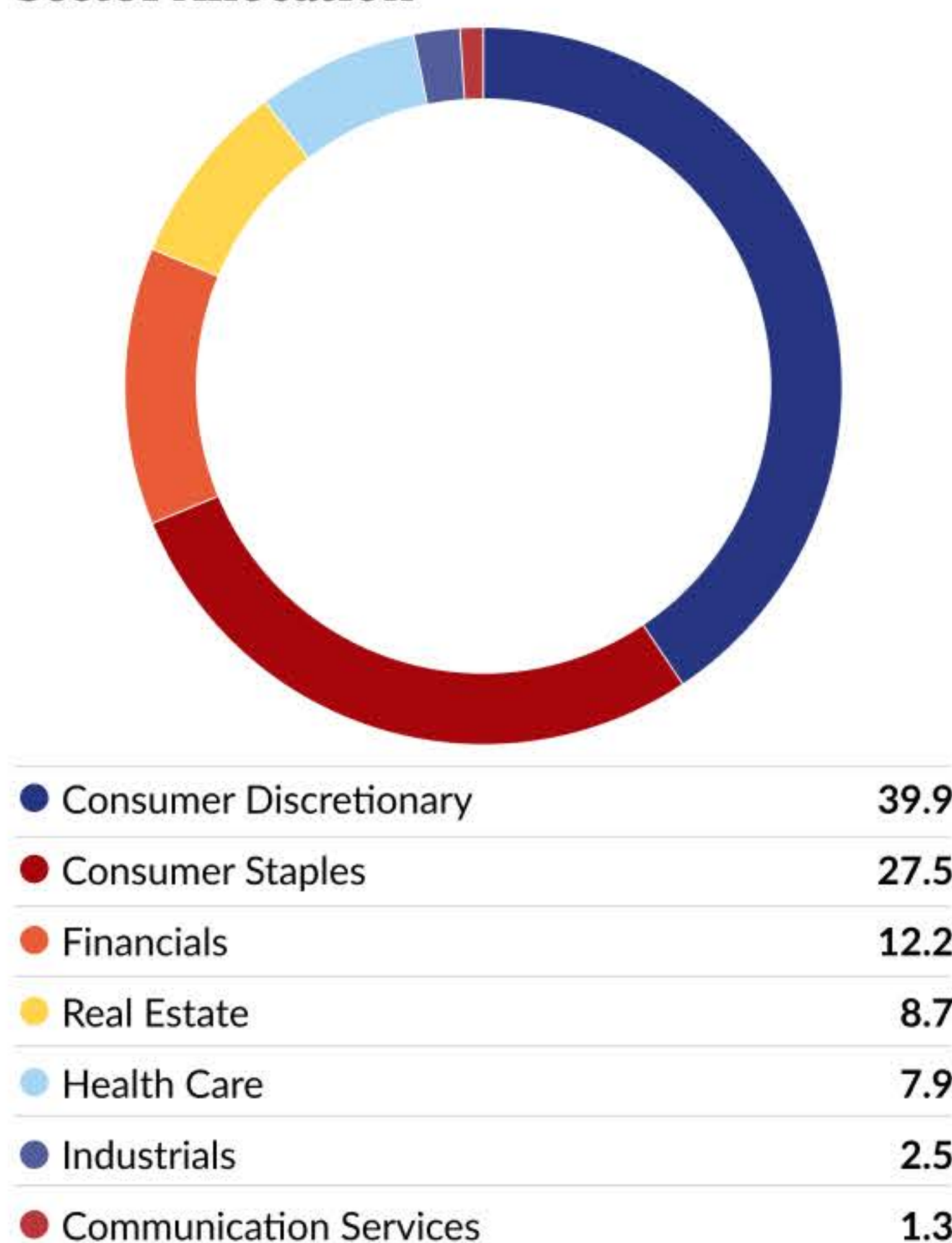
## PORTFOLIO BREAKDOWN

### Top 10 Positions

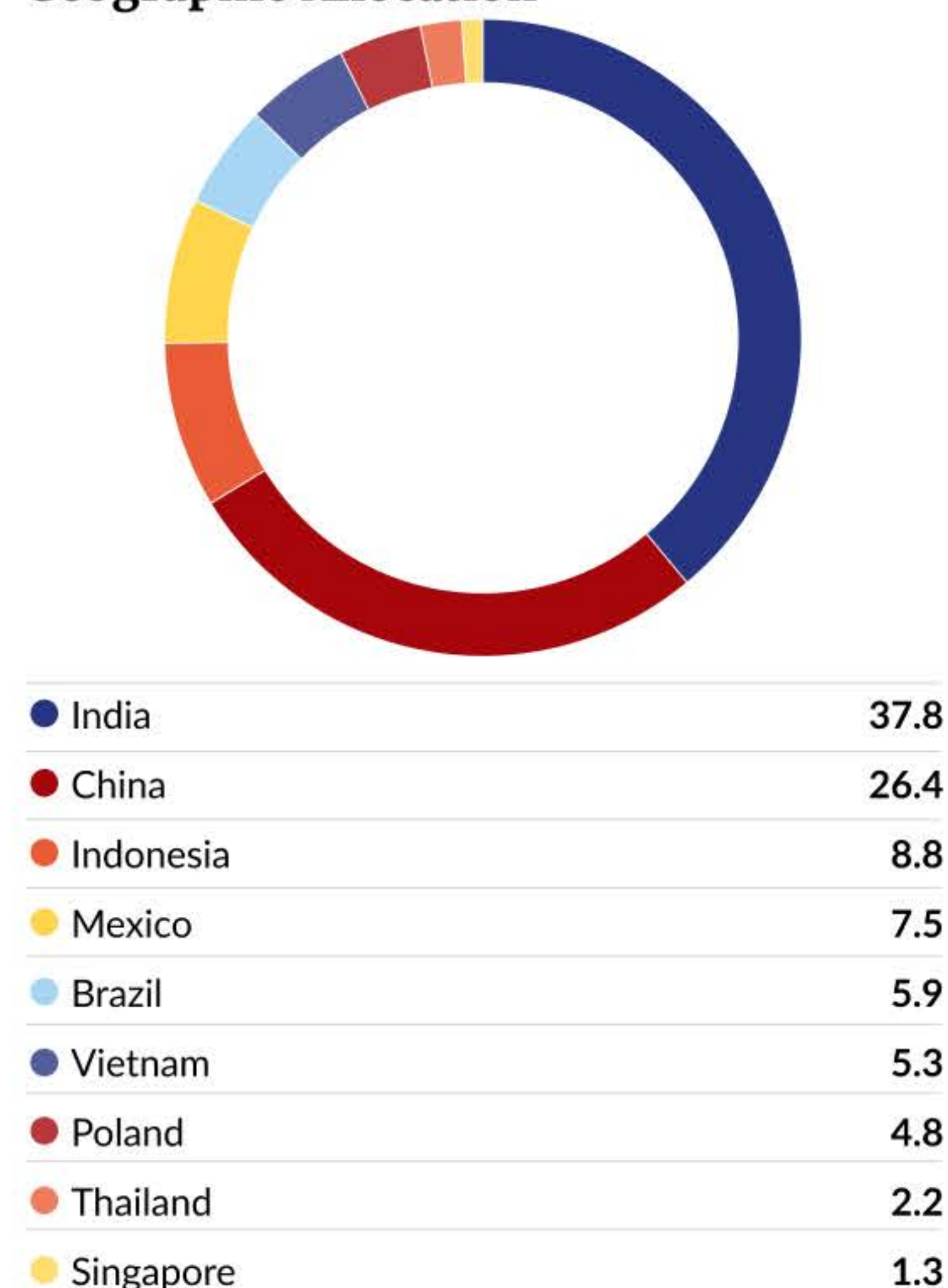
Company	% of Holding
Varun Beverages	4.8
Dino Polska	4.8
Bank Rakyat	3.7
Yadea Group	3.5
Macrotech Developers	3.5
Proya Cosmetics	3.4
Apollo Hospitals	3.2
BYD	3.2
HDFC Bank	3.1
Mercadolibre Inc	3.1
<b>Number of Holdings</b>	<b>37</b>

The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.

### Sector Allocation



### Geographic Allocation





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## AVAILABLE SHARE CLASS PRICES

SHARE CLASS	PRICE	ISIN	BLOOMBERG	MANAGEMENT FEE	ONGOING CHARGES FIGURE	MINIMUM SUBSCRIPTION	MIN. ADDITIONAL SUBSCRIPTION
IC1 USD	142.31	LU1177490023	M3AIC1U LX Equity	0.75%	1.12%	USD 70,000	USD 15,000
RC1 GBP	191.57	LU1391034839	M3ARC1G LX Equity	0.75%	1.12%	No Minimum	No Minimum
IC1 EUR	135.97	LU1391035307	AUGEIC1 LX Equity	0.75%	1.12%	EUR 70,000	EUR 15,000
IC2 USD	140.28	LU1177491690	M3AIC2U LX Equity	0.60%	0.96%	Closed	USD 50,000

Ongoing charges figure (OCF) is based upon the expenses incurred but does not include transaction costs (see KIID for details).  
IC2 class is no longer available for new investors (see Prospectus for details).

## PLATFORMS

Aegon, AJ Bell, Attrax, Aviva, Banco Inversis, Cofunds, Embark, FNZ, Hargreaves Lansdown, Interactive Investor, James Hay, M&G, Novia, Nucleus, Pershing Nexus, Quilter, Standard Life, Transact & 7IM.

## MANAGER'S COMMENTARY

The Fund finished the half year on a bright note with a gain of 4.1% in June, which was marginally ahead of the benchmark's 3.8%. The bright spots were stock specific and came in both India (Property developer **Macrotech**, **Apollo Hospitals** and online financial platform, **PB Fintech**) and, for a change, in China where electric vehicle stocks **Yadea** and **BYD** performed well, as did online discount retailer **VIPshop**. Poland (**Dino Polska**), Brazil (**Raia Drogasil**) and Vietnam (**Mobile World**) were also pockets of strength. Conversely, Mexico and Indonesia took a breather during the month.

It is worth highlighting these selective "smaller" markets to which the Fund is increasingly exposed because, in nearly all cases, these were positive contributors to the first six-month performance as well. Even India, which started the year correcting sharply and left the portfolio well behind the broader, mainstream rally in January, has since recovered strongly. Since January, the Fund has clawed back some of this early deficit but has ultimately been hampered by China and, in particular, the Chinese consumer. The AI inspired semiconductor rally was also unhelpful, given our lack of exposure, but this appears to be waning.

We were not alone in misreading the Chinese economy and the re-opening rebound which petered out almost before it had started. We certainly underestimated the damage that has been inflicted on the animal spirits of the Chinese population. Whether that is the effect of living under the threat of actual or potential lock-down for so long, or the spillover from the reining in of the tech sector, clearly one of the most entrepreneurial sectors of the economy and a major employer as well, or the property market which after a short period of pent up demand buying has weakened again, is unclear. Whatever the case, it seems an air of caution will remain for the time being.

An extended first post-covid visit back to China in May and June revealed signs of this lack of confidence, mostly due to job and income growth concerns. As a result, life is returning to normal, but without splashing out on unnecessary and expensive items, as well as a tendency to trade down. In other words, still more saving, less spending. As ever in such a big place there are exceptions, with electric vehicles being one. Our China portfolio has inevitably become more selective as a result.

What gives us more optimism is that almost all the other markets and companies represented in the portfolio are starting to do much better. Even India, after its uncertain start to the year, has been a positive contributor to returns, albeit mostly due to our consumer stocks outperforming. The caution we witnessed in the first quarter is evaporating as the relatively mild wave of inflation has passed and is now falling fast. All those other longer-term drivers can now reassert themselves: the property market upturn, the infrastructure roll out, and a seemingly accelerating investment cycle to name a few.

A similar story of falling inflation can be found in many other sensibly run economies such as Indonesia or Mexico, and even in a higher inflation economy such as Brazil. The combination of lower prices, and ultimately lower interest rates, should be helpful for real incomes. More so given most of these countries, India included, are seeing outsized job creation thanks to manufacturing investment spilling out of China.

We maintain exposure to China because there are inevitably still interesting growth companies and valuations look extremely cheap in some cases, as is often reflected in cash rich firms increasingly buying back stock. In many places elsewhere in the emerging world though, a cyclical upturn now looks likely to join our structural consumption story, which should be positive for the portfolio.

## RATINGS



Andrew Dalrymple and John Ewart are  
AAA rated and Rob Brewis AA rated by  
Vadevalor as of 30/06/23



This Fund is Elite rated by FundCalibre as of  
30/06/23



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## CONTACTS

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## ENVIRONMENTAL, SOCIAL & GOVERNANCE

Aubrey bases its measures for ESG analysis on the United Nations Global Compact. This framework provides us with a foundation for assessing corporate sustainability where we focus our analysis on four themes:

1. Human Rights: Companies should respect the internationally declared human rights laws.
2. Labour: Elimination of discrimination in the workplace as well as all forms of forced labour.
3. Environment: Encourage companies to develop and create initiatives that promote sustainability.
4. Anti-Corruption: Businesses should eliminate corruption in all forms, including bribery.

Signatory of:



This fund is **Article 8** under the European Union's Sustainable Finance Disclosure Regulation (SFDR).

## IMPORTANT INFORMATION

This is a marketing communication issued by Aubrey Capital Management Limited who are authorised and regulated by the Financial Conduct Authority. Please refer to the Prospectus and the UCITS KIID (for UK investors) or PRIIPs KID (for EU investors) before making any final investment decisions and if you are still unsure, seek independent professional advice. Investors in the Fund are exposed to fluctuations in the Fund's value, which can go down as well as up, and may be subject to significant volatility due to market conditions and changes in foreign exchange rates. Past investment performance is not an indication of future performance. The Fund aims to invest all its assets in emerging market equities which have a higher than average risk when compared to investing in more established markets as investments may be affected by local market conditions. As a result of these risks, you should ensure investment in the fund is suitable for you. Aubrey Capital Management pays a fee to Vadevalor and FundCalibre to provide their rating service.

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