



## KEY FACTS

### Investment Objective

The Strategy's objective is to generate investment returns by investing in companies that are focused on the growth in consumption and services in emerging markets. The portfolio provides exposure to this philosophy through active stock picking based on a fundamental bottom-up approach with disciplined analytics and an awareness of macro factors. 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 Strategy is suitable for investors seeking long term capital appreciation.

### Strategy Information

STRATEGY INCEPTION	14th March 2012
STRATEGY CURRENCY	USD
STRATEGY SIZE	\$514.8m
INDEX	MSCI TR Net Emerging Markets USD
MANAGERS	Andrew Dalrymple, John Ewart, Rob Brewis

## MANAGER'S COMMENTARY

After a strong start to the month, buoyed by a sharp rebound in India, enthusiasm faded and the Strategy gave back those gains and ended down 1.7% while the index was up slightly. The major positive from the month was continued strength in China, which as the largest market, bodes well for the entire emerging market asset class.

The correction in India which had begun in October continued in February despite what we thought was a positive budget, the easing of oil prices, as well as a more dovish tone and a first rate cut from the RBI. The GDP number for the quarter to December also confirmed an upturn in growth to 6.5%, confirming that the previous quarter's sub-6% as an anomaly as we had expected. Government expenditure rebounded, as did the consumer. For now, this positive news is being ignored, although we doubt for that much longer as valuations are now as cheap as they have been since early 2023, and the prospects look to us still highly positive.

Although we remain highly confident about our Indian portfolio, we have made a few changes, one being the sale of the remainder of our **Varun Beverages**. This has been a standout performer over the 6 years it has been in the portfolio, rising ten-fold at its peak and adding over 10% to portfolio returns. Through much of last year we sold down the position on valuation grounds and have now decided the arrival of an aggressive competitor in the form of Reliance's Campa Cola is grounds for stepping aside for now. In its place, we have returned to leading finance company, **Bajaj Finance**, which has been significantly de-rated in recent years, and now looks very attractively valued.

The combination of trades and performance now sees China as a larger weight than India in the portfolio for the first time in 2 years. As the Deepseek news sinks in, there appears to have been a reassessment of Chinese prospects and valuations in the technology sector. This is no more obvious in our best performing stocks of the month: **BYD**, **Xiaomi** and **Tencent**. A simple valuation comparison between these and their US comparisons (Tesla, Apple and Meta) makes a stark case in favour of the Chinese. No more so than in **BYD's** case, which looks to have much better growth prospects and for 18x PE, rather than Tesla's 69x. A **Xiaomi** v Apple comparison is perhaps more of a stretch, but at least **Xiaomi** managed to make a car the people seem to want, with the new Ultra version selling out on launch.

The only disappointment in China was **Trip.com** which reported an encouraging set of results albeit with further investments in its international operations as it takes on the likes of Booking.com in South East Asia. **BYD** also raised \$5bn by selling HK listed H shares in order to finance their overseas production growth, causing a temporary price correction. Both clear examples of Chinese globalisation which appears somewhat immune to the trade war escalating around it.

We have highlighted the success of the Indian government in attracting domestic and foreign investment in recent years. Employment creation, income growth, and consumer confidence are all welcome developments. Parallels can be drawn with the well publicised meeting of President Xi with various Chinese business leaders during the month and was seen as an endorsement of the private sector in their development of technology and economic opportunities for the country. Clearly, government support which encourages consumer optimism and a return in spending behaviour to support these broader trends in China are to be welcomed.

## NET PERFORMANCE

CUMULATIVE %	1M	3M	6M	1Y	3Y	5Y	10Y	INCEPTION
Strategy Return	-1.7	-3.0	-1.9	1.9	-1.1	27.4	69.3	178.0
Index Return	0.5	2.1	0.4	10.1	1.4	23.2	41.0	44.3

CALENDAR YEAR %	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Strategy Return	11.6	9.6	-25.8	-4.3	52.0	28.0	-17.4	56.0	-4.9	-9.0	9.0
Index Return	7.5	9.8	-20.1	-2.5	18.3	18.4	-14.6	37.3	11.2	-14.9	-2.2

Source: Aubrey Capital Management & MSCI

All figures are presented net of fees in USD. 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.

Aubrey Institutional claims compliance with GIPS. The performance record disclosed above is that of the firm's composite for the Aubrey Global Emerging Markets Strategy (see page 3 for further details).



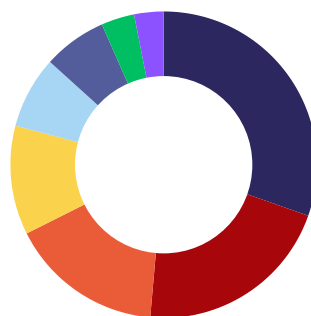
## PORTFOLIO BREAKDOWN

### Top 10 Positions

Company	% of Holding
Taiwan Semiconductor	6.4
Xiaomi	5.7
Mercadolibre	5.2
MediaTek	4.5
Sea Ltd	4.4
Fubon Financial	4.1
BYD	3.9
MakeMyTrip	3.8
Bharti Airtel	3.7
Max Healthcare	3.6
<b>Number of Holdings</b>	<b>31</b>

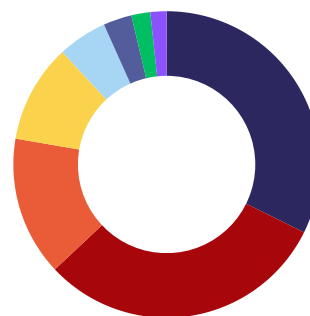
The securities identified and described do not represent all of the securities purchases, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.

### Sector Allocation



Consumer Discretionary	30.4
Information Technology	21.0
Financials	16.2
Communication Services	11.5
Consumer Staples	7.6
Industrials	6.7
Health Care	3.5
Real Estate	3.1

### Geographic Allocation



China	32.3
India	30.7
Taiwan	14.7
Singapore	10.4
Brazil	5.2
South Korea	3.0
Turkey	2.0
Chile	1.7

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