AUBREY
CAPITAL MANAGEMENT

Aubrey GEM Tech Holdings – July 2026

Since mid-2024, when we realised that the AI boom was becoming a windfall for technology stocks in Korea and Taiwan, many of which dominate the global markets they sell into, our exposure to these stocks has become an increasingly significant part of the portfolio. This also extended to China, where there are some global leaders, as well as others benefitting from the urgent need to become self-sufficient in the face of increasing restrictions and sanctions from the US.

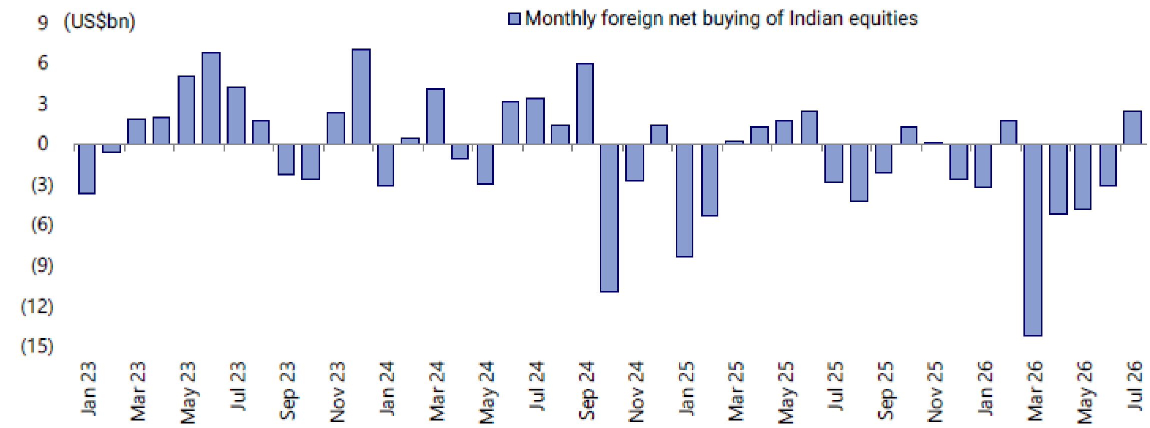
This has also produced some spectacular gains for the portfolio, with the most extreme example being SK Hynix. Bought first in June 2024, it had a shaky start and traded around W200,000 for a while before taking off in mid-2025 as demand for its products exploded. As is typical, we sold a lot of the stock early on the way up, but also sold plenty near the recent peak of W3,000,000 and have sold more since.

Our approach in the past few weeks has been to continue taking profits in the big Korean semiconductor positions, as well as weeding out any weaker holdings in the IT sector. The result, along with market moves, has been a material reduction in the IT weighting of the portfolio from around 50% to 35%. The big question now is whether to keep this weighting – the growth expectations and valuations of the remaining stocks would still suggest we should – or to lock in more of the gains.

In the meantime, these proceeds have largely been redeployed in India, where we have mostly added to existing holdings, as well as returning to a few old names such as ICICI Bank. Our Indian portfolio has proven its worth, having remained negatively correlated to the AI trade in recent months, and we suspect this will continue. It is interesting to see foreign investors becoming net buyers in July for the first time since February. We continue to find more potential additions to the portfolio in our Indian watchlist than anywhere else, and most of these are in our more traditional consumer and financial sectors.

Underpinning this rotation is our Focus List of around 150 to 200 companies, in which the team has a very high level of confidence, giving us the ability to move in and out of positions at short notice as opportunities arise or the outlook changes.

Exhibit 12: Monthly foreign net buying of Indian equities



Note: Data up to 31 July 2026. Source: Bloomberg

Source: Jefferies

Biography

Rob Brewis | Director, Investment Manager

Rob is a Director of Aubrey, and Investment Manager of the Global Emerging Markets Strategy. He joined the firm in 2014.

An engineering graduate from Cambridge University, Rob began his career in 1988 at Thornton Management in London. Then he spent ten years in Hong Kong as an Asian fund manager with Credit Lyonnais International Asset Management. This company was later bought by Nicholas Applegate and then Colonial First State, where Rob ran the North Asian investment team as well as managing the Asian Special Situations Fund and a number of single country funds investing in India, Pakistan, Indonesia and Thailand.

He then went on to co-found emerging markets investment boutique BDT Invest LLP in London in 2000. Whilst at BDT, Rob co-managed a number of emerging market portfolios as well as the BDT Asian and Oriental Focus Funds.

Further Reading:

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