Aubrey Global Conviction Strategy

AUBREY
CAPITAL MANAGEMENT

FACTSHEET: December 2025

KEY FACTS

Investment Objective

The Aubrey Global Conviction Strategy invests in growth stocks worldwide in a concentrated and index agnostic fashion, with the aim of achieving capital appreciation over the long term.

As the name implies, it often takes substantial positions in regions and sectors which the managers consider attractive, with the result that the portfolio disposition and performance is generally very different from the MSCI All Countries World Index.

Strategy Information

STRATEGY INCEPTION	8th January 2007
STRATEGY CURRENCY	GBP
STRATEGY SIZE	£85.6 m
INDEX	MSCI All Country World Index GBP
MANAGERS	Andrew Dalrymple

MANAGER'S COMMENTARY

2025 has been a tale of two halves for the Global Conviction Strategy. The first half was characterised by broader market performance, which favoured our highly active approach. However, the second half has delivered the exact opposite, with a sharp reversal of these trends leaving us looking at a disappointing result for the year.

Digging deeper into this, there are a couple of key themes to highlight that appear to have driven market performance during the second half. A sharp deceleration for the 'Magnificent 7' (Mag-7) gave rise to what we view as a low-quality rally in technology. Since early July the Mag-7 Index has risen by just over 20%, while the Goldman Sachs Non-Profitable Tech Index is up a staggering 46%. Our focus on our '3 15s' of 15% return on equity, 15% earnings growth and 15% cashflow return on assets which we use as a definition of quality, means we haven't caught these tailwinds, nor have we chased some of the very many speculative trades.

Furthermore, a sharp sell off in US growth stocks in November compounded the problems, which seemed mostly to have been brought on by the continuing narrative of an "AI Bubble" and a perception that valuations are extended. In our experience, when everyone is so bearish it is rarely a bubble, and indeed most bubbles end with monetary tightening, and at present there is little pressure on central banks to raise rates. If anything, there is likely to be further easing in both America and Europe.

Because, despite all the headlines over tariffs, inflation, tech valuations and the path of interest rates which have dominated the narrative, under the hood the US economy remains very resilient. Further fiscal stimulus from the 'Big Beautiful Bill', including extensions to the 2017 tax cuts, exemptions for overtime and tips, and incentives around depreciation and R&D, should support consumer spending and corporate investment, while a Fed cutting cycle should benefit smaller, more leveraged businesses and help release pent-up pressure in the housing market as mortgage rates fall. For all the fanfare about tariffs and their inflationary impact, shelter and other services remain far more important drivers of inflation than goods, suggesting inflation should remain elevated but under control, and as a result we expect further rate cuts during 2026, providing a more constructive backdrop for small and mid-cap companies constrained by the high interest rate environment, with scope for margin expansion reflected in improving forward earnings estimates.

The upshot of this is a more positive outlook for the small and mid-cap space in the US, which have long been neglected and growth constrained by the high-interest rate environment. Smaller companies use significantly more leverage to fund their businesses, suggesting there will be opportunities for margin expansion in a lower rate environment, and indeed, this is reflected by a recent increase in forward earnings estimates.

2025 has been a very strong year for Emerging Markets (EM), with the MSCI EM Index up almost 30%. While much of this has been driven by AI enthusiasm, with IT heavy indices in Korea and Taiwan dominating, we see room for broader upside during 2026.

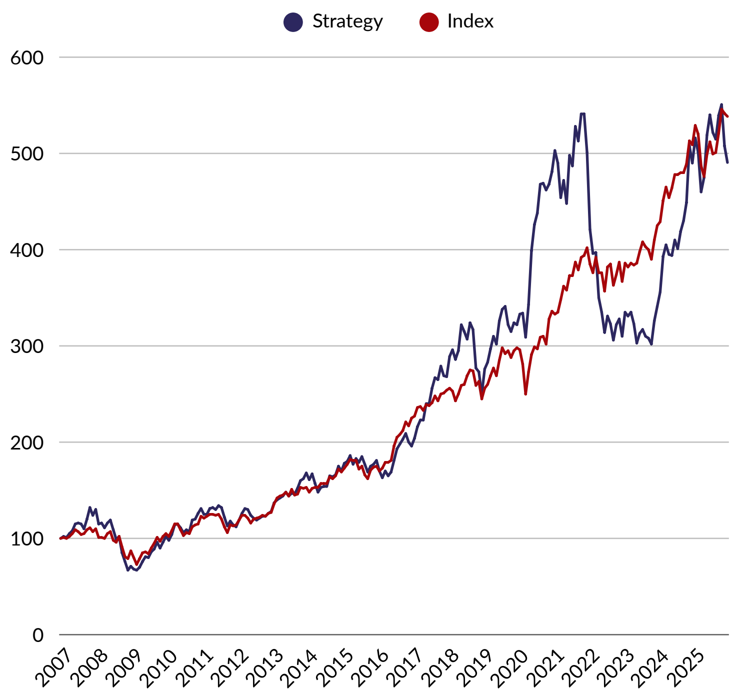
While we are lukewarm about China, India remains the most compelling long-term investment opportunity in EM, with strong economic growth and subdued inflation setting the scene for 2026. India has underperformed during 2025, likely being used as a source of funds for cheaper markets elsewhere and fuel for the technology tailwinds in Korea and Taiwan; however, our conviction remains strong, with GDP growth of over 8% in the second quarter justifying our thinking, inflation comfortably under control, and Goods and Services Tax reforms implemented in September alongside the potential for further rate cuts by the Reserve Bank of India adding further stimulus for the year ahead. Europe has been a strong source of performance for the portfolio, with key contributions from ***Rheinmetall*** and ***Safran***, and it has been a good year overall, with the Eurostoxx 600 up over 15% YTD and Euro strength adding to returns; however, Europe has benefitted from a similar theme to China as an alternative to the US at more reasonable valuations, and the steady uptrend for the index has not been matched by upward revisions to 2026 earnings numbers, meaning performance has been driven by multiple expansion.

Overall, there are ample opportunities across global markets for the year ahead that provide a constructive backdrop. We remain steadfast in our approach to finding high quality growth companies. Despite a difficult second half of 2025, a positive backdrop across EM and the resilient US economy are providing ample opportunities, and giving us renewed conviction. We look forward to 2026, and hope that it can be a better year for the Strategy.

NET PERFORMANCE

CUMULATIVE %	1M	YTD	1Y	3Y	5Y	10Y	INCEPTION
Strategy Return	-1.8	12.5	12.5	84.2	5.6	166.4	234.5
Index Return	1.0	22.3	22.3	75.6	70.0	203.0	267.1

CALENDAR YEAR %	2025	2024	2023	2022	2021	2020	2019
Strategy Return	12.5	41.1	16.1	-44.6	3.5	54.3	34.9
Index Return	22.3	17.1	22.2	-18.4	18.5	16.3	26.6



Source: Aubrey Capital Management & MSCI

All figures are presented net of fees in USD. MSCI All Country World 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.

The Strategy performance is represented by the firm's UK OEIC fund, the SVS Aubrey Global Conviction Fund. **US investors are not able to invest in this fund.**

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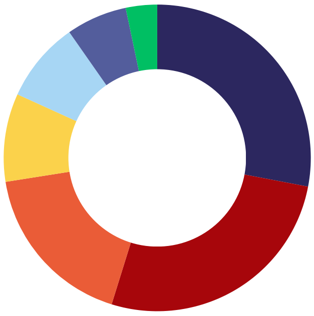
PORTFOLIO BREAKDOWN

Top 10 Positions

Company	% of Holding
InterDigital	6.5
Broadcom	5.2
Comfort Systems	5.0
Natera	4.3
TSMC	3.7
Futu	3.6
Safran	3.5
Nvidia	3.4
Cameco	3.3
Sea Ltd	3.3
Number of Holdings	**33**

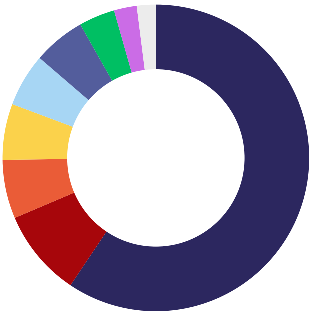
The securities identified and described do not represent all of the securities purchases, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.

Sector Allocation



Industrials	28.0
Information Technology	26.8
Communication Services	17.7
Financials	9.3
Consumer Discretionary	8.5
Health Care	6.4
Energy	3.3

Geographic Allocation



United States	59.4
China	9.2
Singapore	6.2
Canada	5.9
France	5.6
India	5.5
Taiwan	3.8
Brazil	2.4
Netherlands	2.0

CONTACTS

Investment Enquiries

EMAIL	clientservices@aubreycm.co.uk
TELEPHONE	+44 (0) 131 226 2083

Head Office

ADDRESS

Aubrey Capital Management Limited
10 Coates Crescent
Edinburgh
EH3 7AL

IMPORTANT INFORMATION

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