

Marketing Material
For Professional Investors Only



Navigating China with an Active Stock Selection.

Systematic Equity Team - Emmanuel Hauptmann, Valentin Betrix,
Nicolas Jamet, Tian Guo, Louis-Alexandre Piquet

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ramai

**Conviction in Fundamentals.
Powered by Technology.**

September has marked a strong rebound for Emerging Markets Equities, with the MSCI EM TRN index up 6.7% while MSCI World TRN was up 1.8%, bringing them close to in line with developed Equities year-to-date.

The 50bps rate cut by the Fed and the announcement of one of the largest Chinese monetary and fiscal stimulus packages in September led to a 29% surge in Chinese equities between September 23 and October 2—a welcome boost for Emerging Markets equities, which were trading at historically attractive valuation levels compared to developed markets (cf. [Emerging Markets: What's Next, RAM AI, Aug 2024](#)).

Due to the low quality of the average Chinese company—characterised by highly leveraged balance sheets and low operating cash flow generation—our blend of strategies has maintained a low exposure to China, averaging an underweight position of nearly 10% over the past three years. Interestingly, however, our strategies began a significant reallocation to Chinese equities in August, reaching a near equal-weight position in the country by the end of September, before taking profits in October onwards.

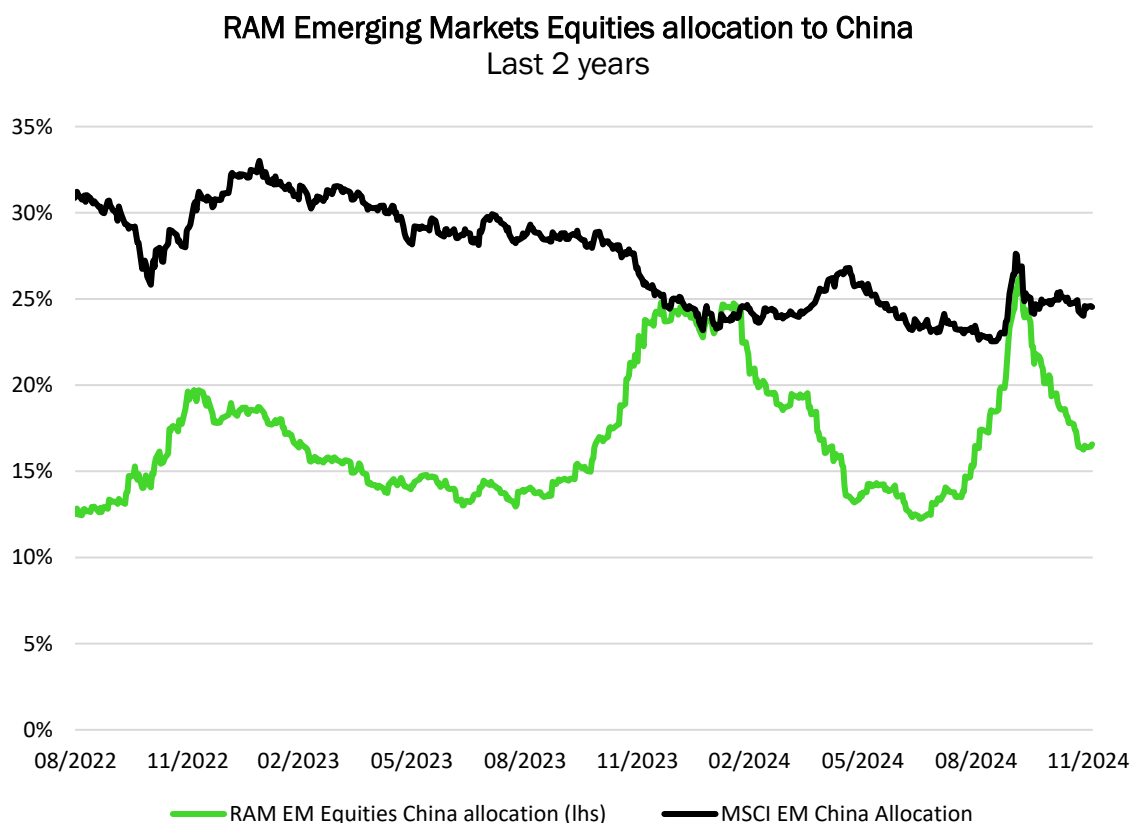


Figure 1. Source: RAM AI as of 03.12.2024

The strategies' reallocation preceded the historic two-week surge in Chinese equities beginning on September 23rd.

RAM Emerging Markets Equities allocation to China Focus since May 2024

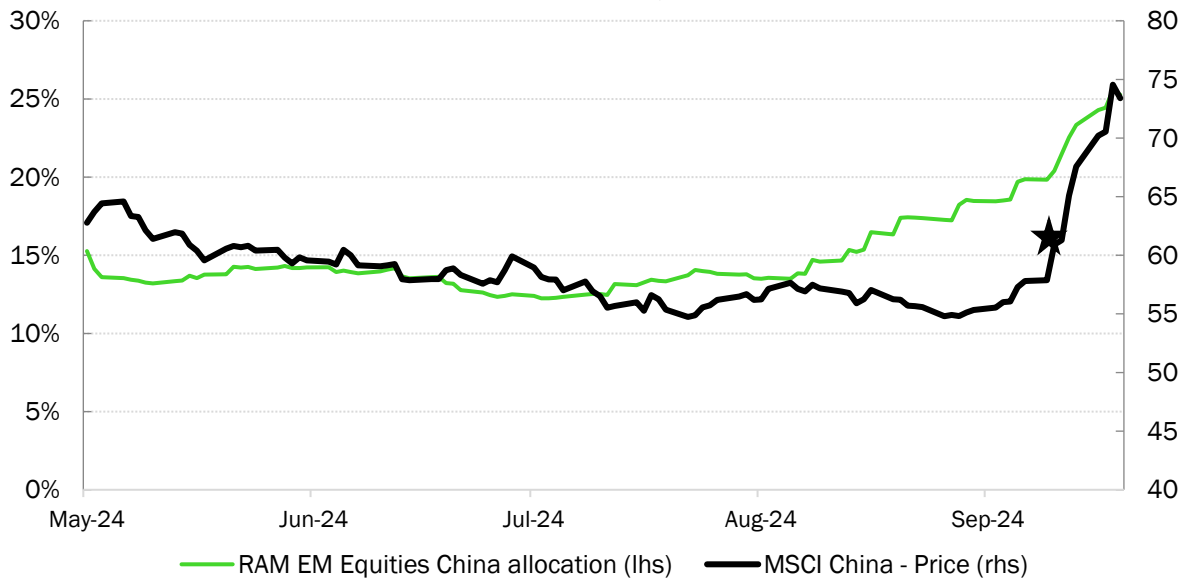


Figure 2. Source: RAM AI, MSCI Indices as of 03.10.2024

The reallocation towards China in our strategies was driven by a combination of highly attractive valuations across the country, positive growth dynamics in select tech and consumer discretionary companies, and extremely negative market sentiment. This mix prompted a significant increase in exposure to selected Chinese names within our deep value and agnostic Machine Learning strategies.

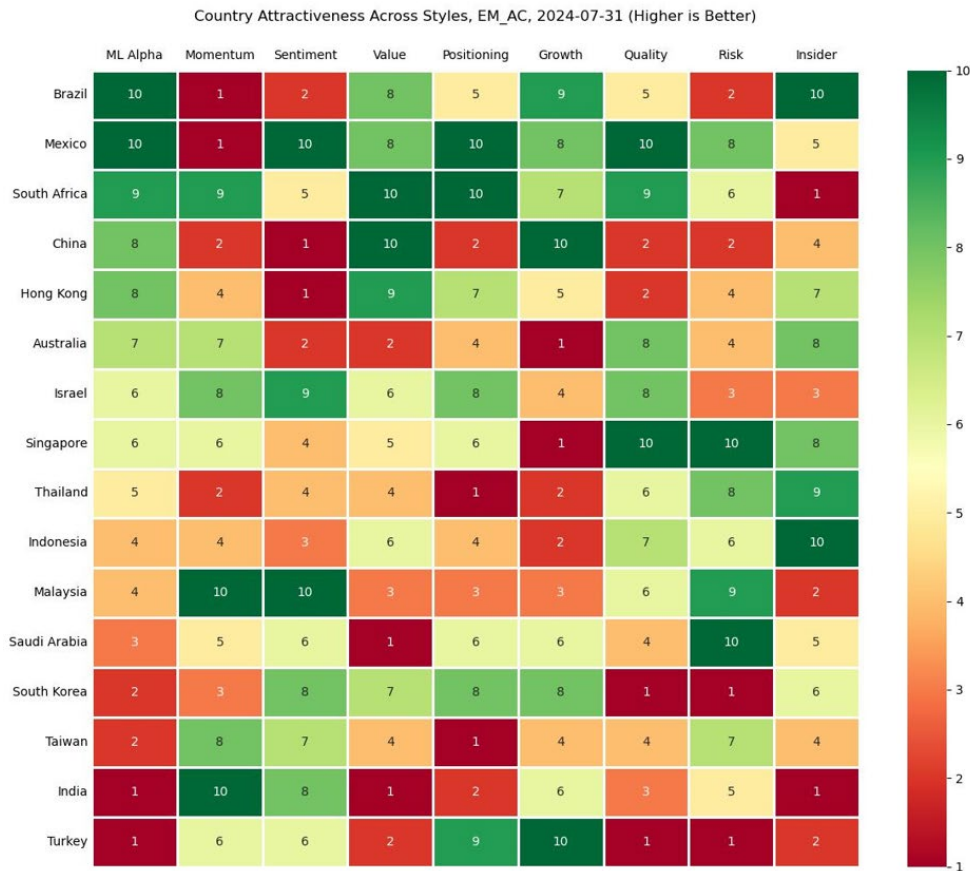


Figure 3. Source: RAM AI, as of July 2024

The underweight position of our strategy blend in China has positively contributed to the fund's relative performance versus the benchmark over the past three years. Following the recent rebound, China continues to be a positive contributor to the fund's year-to-date relative performance, both from an allocation and selection perspective.

Attributions - Last 3 Years

Top 4 Country	Fund-Average Weight	Fund-Total Return	Bench-Average Weight	Bench-Total Return	Allocation	Selection	FX	Total
Taiwan	17.14%	73.87%	15.91%	24.13%	0.14%	6.95%	-0.04%	7.05%
China	17.18%	-0.43%	26.54%	-14.62%	4.61%	3.04%	-0.78%	6.87%
Malaysia	4.23%	43.06%	1.45%	14.12%	0.03%	1.26%	0.66%	1.95%
Mexico	2.80%	58.79%	2.39%	15.34%	0.41%	0.73%	0.31%	1.45%
Bottom 4 Country	Fund-Average Weight	Fund-Total Return	Bench-Average Weight	Bench-Total Return	Allocation	Selection	FX	Total
Czech Republic	0.13%	6.06%	0.15%	37.51%	-0.00%	-0.08%	0.00%	-0.08%
New Zealand	0.79%	-10.30%			-0.21%		-0.03%	-0.24%
Ireland	0.21%	-7.81%	0.70%	50.04%	-0.99%	0.00%		-0.99%
India	7.68%	6.97%	15.14%	36.62%	-3.06%	-3.38%	0.38%	-6.06%
Sector	Fund-Average Weight	Fund-Total Return	Bench-Average Weight	Bench-Total Return	Allocation	Selection	FX	Total
Information Technology	18.88%	37.40%	21.42%	9.70%	-0.61%	4.07%	0.75%	4.21%
Financials	18.47%	39.47%	21.87%	17.71%	-0.09%	2.90%	0.35%	3.16%
Industrials	9.62%	26.91%	6.15%	1.31%	0.07%	2.06%	0.66%	2.79%
Communication Services	10.12%	14.99%	9.61%	-8.90%	0.98%	1.95%	-0.21%	2.71%
Materials	3.44%	20.29%	8.26%	-15.25%	0.88%	1.46%	-0.05%	2.29%
Consumer Discretionary	13.30%	10.69%	13.07%	-6.92%	1.68%	0.96%	-0.60%	2.05%
Consumer Staples	9.33%	9.20%	6.02%	-8.08%	-0.19%	1.93%	-0.35%	1.38%
Health Care	7.71%	-1.04%	3.78%	-24.98%	-1.06%	2.12%	0.10%	1.16%
Utilities	2.77%	0.29%	2.75%	15.78%	0.34%	-0.17%	0.06%	0.23%
Real Estate	3.73%	-2.21%	1.83%	-19.88%	-0.59%	0.59%	0.10%	0.09%
Energy	2.62%	-6.05%	5.23%	20.20%	-0.48%	-0.78%	-0.06%	-1.32%
Market Cap	Fund-Average Weight	Fund-Total Return	Bench-Average Weight	Bench-Total Return	Allocation	Selection	FX	Total
Large Cap	51.48%	15.81%	89.68%	3.30%	-0.46%	4.76%	1.55%	5.85%
Mid Cap	38.17%	25.54%	10.10%	-12.58%	-4.48%	15.47%	-0.44%	10.55%
Small Cap	10.35%	29.08%	0.22%	-46.21%	-7.29%	10.02%	-0.36%	2.37%

Figure 4. Source: RAM AI, FactSet, as of September 2024

After the recent reallocation, the strategy is close to in line with the MSCI EM index in terms of Chinese allocation.

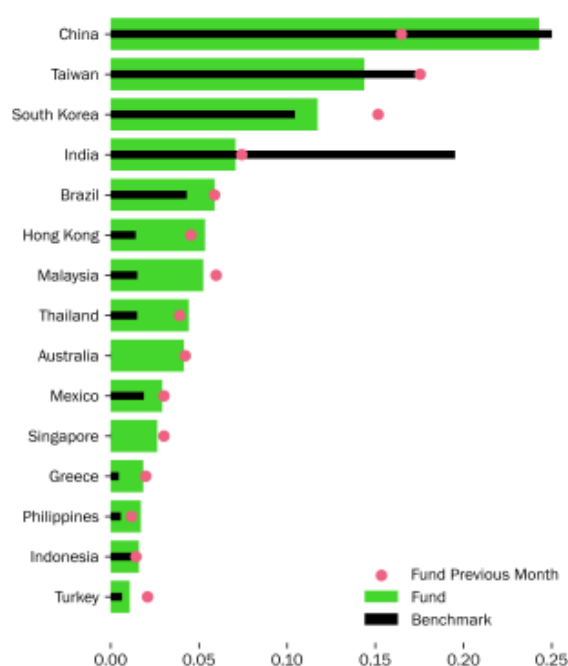


Figure 5. Source: RAM Active Investments, as of September 2024.

Recent market dynamics underscore the value of our dynamic approach to capturing fundamental opportunities across Emerging Markets, which has enabled us to generate strong excess returns over the past 15 years with lower risk than the index.

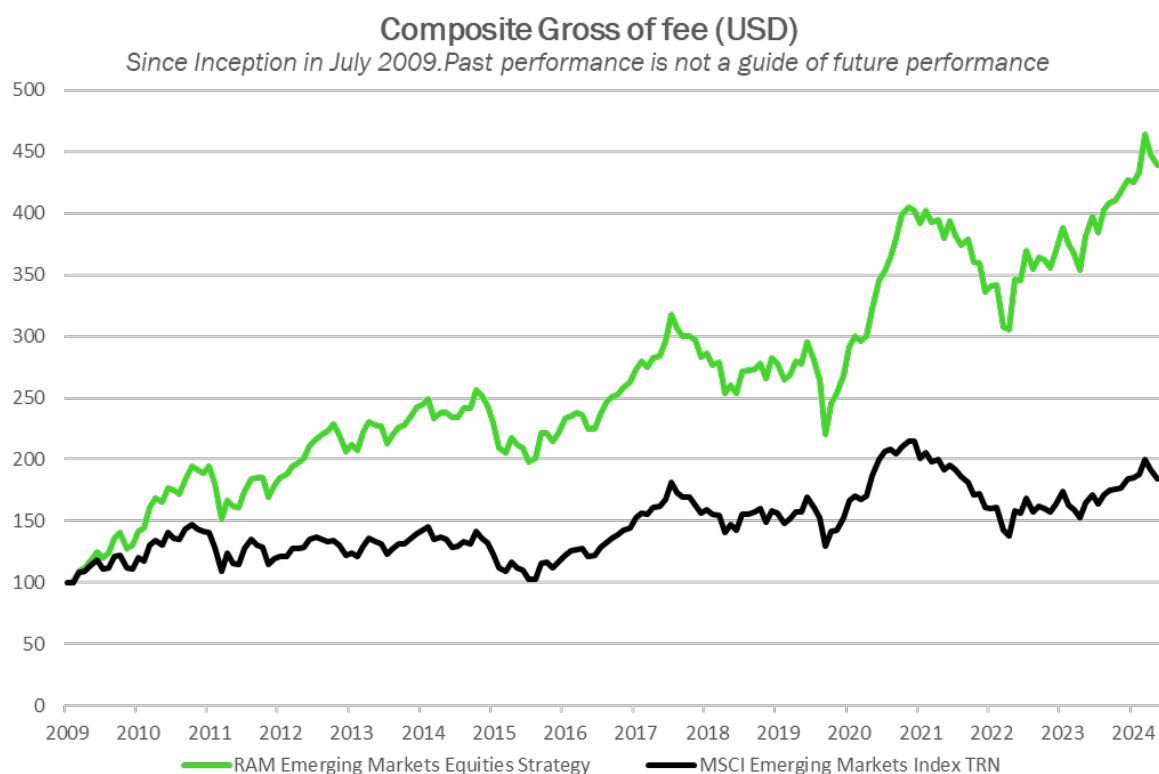


Figure 6. Source: RAM AI as of 29.11.2024

Return, %	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
RAM EM Equities	41.76	-8.98	31.21	7.59	3.08	-10.6	7.71	31.69	-14.5	16.56	17	13.86	-12.3	15.15	10.11
MSCI EM Index	18.88	-18.4	18.22	-2.6	-2.19	-14.9	11.19	37.28	-14.6	18.42	18.31	-2.54	-20.1	9.83	7.65

Annualised Return	3Y	5Y	Since Inception
RAM EM Equities	5.02%	9.59%	10.14%
MSCI EM Index	-1.26%	3.20%	4.07%

Annualised Volatility	3Y	5Y	Since Inception
RAM EM Equities	15.61%	17.44%	16.12%
MSCI EM Index	17.68%	18.62%	17.56%

Figure 7,8,9. Source: RAM AI as of 29.11.2024



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