

Stabiho Emerging Markets Action P

AUM : €16.75mln

Share	ISIN	Bloomberg Ticker	NAV per share (in euro)
P share	FR001400GN84	STEMMAP:FP	110.75

Emerging Markets Equities SICAV

Registered country: 

SFDR classification: Article 8

INVESTMENT TEAM



Charles Biderman



Wojciech Stanislawski

INVESTMENT STRATEGY

The sub-fund is actively managed and aims to achieve a performance with a recommended 5-year investment horizon.

The sub-fund invests in emerging markets equities of all size and economic sector and without any constraints related to an index.

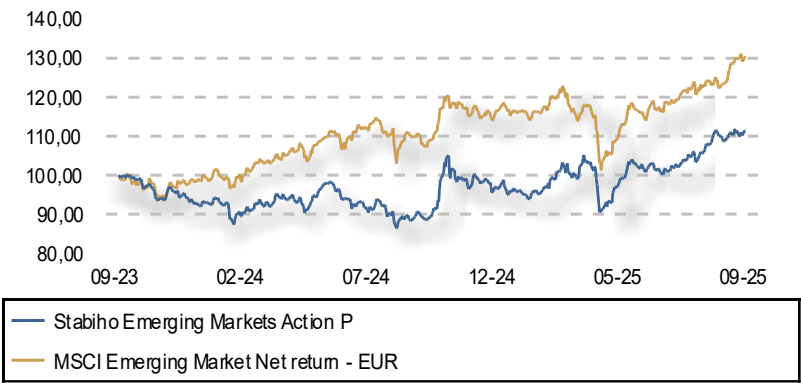
ROLLING PERFORMANCE (%)

	Q3 2025	YTD	1 year	Since inception
Fund	10.21	16.01	11.35	11.44
Index	10.30	12.39	11.44	30.51
Relative perf.	-0.09	+3.61	-0.09	-19.07

1-YEAR RISK INDICATORS

Fund volatility (%)	16.3	Tracking Error (%)	11.9
Index volatility (%)	13.5	Information ratio	2.7
Sharpe ratio	0.4	Beta	0.9

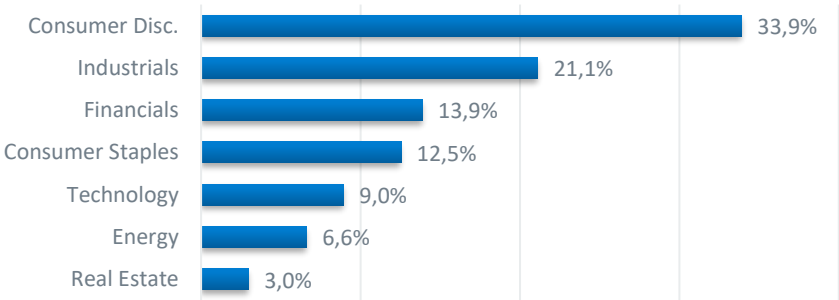
CUMULATIVE PAST PERFORMANCE



TOP 5 HOLDINGS (%)

Companies:	%
TENCENT HOLDINGS LTD (XHKG)	6.9
ANTA SPORTS PRODUCTS LTD (XHKG)	4.8
AIA GROUP LTD (XHKG)	4.2
CHINA RESOURCES BEER HOLDING (XHKG)	3.9
GRUPO GPS (BVMEF)	3.6

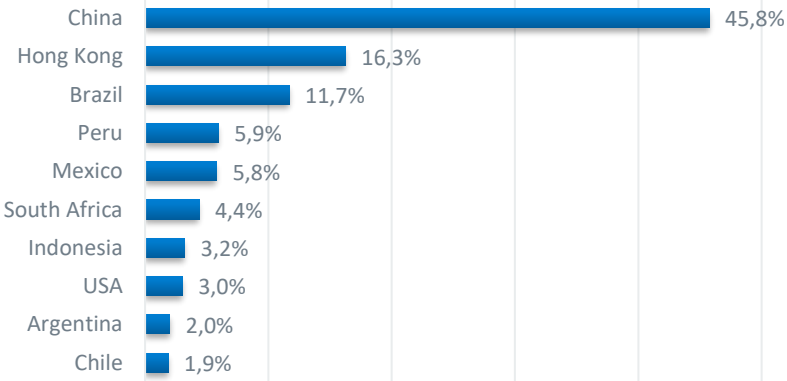
SECTOR BREAKDOWN (%)



PORTFOLIO METRICS

Metrics:	
P/E NTM (x)	14.9
P/BV (x)	3.0
DY (%)	2.9
ROE (%)	16.8
Ebitda (%)	23.3
ND/Ebitda (x)	0.0
EPS Growth 2024 (%)	13.3

COUNTRY BREAKDOWN (%)



CHARACTERISTICS

Portfolio characteristics

Currency	EUR (€)
Inception date	3 July 2023
AMF classification	International Equities
Cut off	10:30 am French time
Benchmark	MSCI Emerging Market Net return – EUR
Valuation	Each business day of the Paris Stock Exchange

Parties

Investment Manager	Stabiho Investment Partners
Depositary	CACEIS
Custodian	CACEIS
Auditor	PWC Audit
Fund Managers	Wojciech Stanislawski & Charles Biderman
Valuation frequency	Daily
NAV	Calculated using closing prices of D

Risk indicator



Potentially lower returnPotentially higher return

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 4 out of 7 which is a medium risk class. This rates the risk of potential losses from future performance at a medium level. In other words, the potential losses related to the future results of the product are at a medium level and, if the situation deteriorates on the markets, our ability to pay you may be affected. This product does not include any protection from future market performance so you could lose some or all of your investment.

Fees

Share	Allocation of distributable sums	Date of 1st NAV	Initial minimum investment	Management fees	Management fees + Operating fees*	Maximum subscription fees
Share P	Capitalization	5 Sept. 2023	1 share	1.25% inc. Taxes	1.60%	3.25%

* On top of these fees, in theoretical case where we would be mainly invested in UCITS, « indirect fees » can apply up to 0.3% max. Please see the prospectus and KID of each share for exhaustive details on fees applied by the sub-fund.

Quarterly comments (1/4)

The past quarter was marked by the spectacular rebound of U.S. technology stocks, directly or indirectly linked to the AI theme. Strong interim results, combined with upward revisions in capital expenditure on AI infrastructure, were the main drivers. We have repeatedly expressed our caution regarding the excessive enthusiasm surrounding AI-related developments, given the still limited real-world application of the technology at this stage. Our prudence remains unchanged. History shows that investment frenzies rarely end well. Whether it was the hard drive boom of the 1970s, Japan's infrastructure overinvestment in the 1980s, the telecom and internet spending spree on 3G licenses and undersea cables in the 1990s, or the overbuilding of housing in China in the 2000s—each time capital flows excessively in one direction, the outcome is inevitably disastrous. Most likely, this time will be no different: at some point, there will be an oversupply of data centres and computing capacity.

We also remain cautious about the so-called “American exceptionalism,” currently fuelled by the AI CAPEX bubble and the massive fiscal deficits of the U.S. government—deficits that are primarily financed by foreign investors. Observing this dynamic, it is hard not to draw parallels with Japan in the 1980s. Back then, a similar sense of Japanese exceptionalism gripped global markets, inspired by the country's highly hierarchical yet cohesive and collaborative social structure—one that many sought to emulate. “Just in Time” production was hailed as the only viable organisational model. Japan accounted for 45% of global market capitalisation, and its companies topped global rankings. But the bubble of the time was concentrated in real estate, where valuations reached absurd levels: the land beneath the Imperial Palace in Tokyo was said to be worth more than all of Manhattan, while the city of Tokyo itself was valued higher than the entire U.S. property market. We all know how that “exceptionalism” ended.

Today, eight of the world's ten largest companies are American—almost all of them in the technology sector (TSMC, also linked to the AI boom, and Saudi Aramco being the exceptions). Nvidia's market capitalisation of USD 4.6 trillion is approaching that of the entire Japanese equity market (USD 7 trillion) and already exceeds that of any individual European market. The U.S. market alone now accounts for more than two-thirds of global market capitalisation. Unsurprisingly, tariffs tend to emerge—or even wars and conflicts—whenever American interests are at stake. Given the scale of these excesses, it is difficult to imagine the next decade once again being one of American exceptionalism.

In India, the Modi government announced a reduction in the Goods and Services Tax (GST), the local equivalent of VAT. This measure is clearly intended to stimulate consumption, the primary engine of the Indian economy, and comes in the wake of tariffs imposed by the Trump administration on Indian exports. Meanwhile, investment spending in India—whether by corporations, the government, or foreign direct investors (FDI)—has been slowing or declining over several quarters. Modi's decision can thus be understood in this context. Unfortunately, this strategy runs counter to the country's long-term industrialisation goals: prioritising consumption over investment is unlikely to transform India into the next China. Manufacturing output has remained around 15% of GDP for a long time—roughly half the level of China. No emerging economy can transition to a developed stage without first building a strong industrial base. Historical examples illustrate this point: the leading economic powers of today—England, the United States, Germany, Japan, Korea, and China—all achieved global prominence through industrial strength. Despite these weaknesses and missteps, the Indian market remains highly valued. For this reason, we continue to maintain a cautious stance on the market.

Indonesia is another country that has attracted attention recently, following violent social unrest. The protests erupted in response to fiscal austerity measures implemented at the start of President Prabowo's term, which appear to have been poorly executed logistically. The government has since adjusted course by lowering interest rates, dismissing the Finance Minister—well regarded by financial markets—and promising increased social spending. Historical fiscal concerns have resurfaced, leading international investors to fear public accounts could slip, potentially causing higher inflation and currency depreciation. Some initiatives, such as free school meals and the establishment of the Danantara sovereign wealth fund, have not been fully understood. Consequently, the Jakarta stock exchange experienced declines. We are monitoring the situation closely, but at this stage, the concerns appear overstated. While the risk of additional fiscal spending exists, the maximum fiscal deficit is constitutionally capped at 3% of GDP, and in practice, it has hovered around 2.5% in recent years—following exceptional deviations during the pandemic—and even slightly contracted during the current transitional phase. Indonesia maintains a positive external balance, and its public debt stands at approximately 40% of GDP. Given the country's strong balance sheet, greater fiscal flexibility is acceptable—and perhaps even necessary—after years of Covid-related disruption and erosion of purchasing power. As in India, consumption is a key growth driver in Indonesia. However, like India, the government's current policies are not optimally aligned with long-term economic development: only investment, education, and the creation of higher-value jobs can generate the sustainable wealth needed (as exemplified by China). Unlike India, though, the Indonesian market is not overbought; it has already corrected, and valuations are

Quarterly comments (2/4)

becoming attractive. This is a market we will continue to watch closely.

In October, **China** will discuss its 15th Five-Year Plan for 2026–2030. As usual, the plan will outline the strategic direction of the Chinese economy. Reports suggest a target of approximately USD 20,000 per capita GDP, which would imply nominal growth of 7–8% per year—an outcome that appears highly unlikely given the current deflationary pressures. Beyond the specific figures, what is particularly admirable is the visibility the government provides to economic actors through this plan. There are few surprises over the five-year horizon following its publication, barring major unforeseen events. This Chinese “exceptionalism” is likely to draw envy, especially as Western economies face unprecedented volatility combined with an accumulation of strategic missteps.

In Latin America, after a period of rapid gains in Argentine assets, President Milei’s market honeymoon has come to a temporary halt. Recent electoral setbacks have shifted the political landscape. The unpopularity of certain measures was confirmed in early legislative elections in the Buenos Aires province, a key barometer for the midterm legislative elections scheduled in October. Over the past three months, the Argentine Peso and equity market have declined by approximately 30% and 20%, respectively. This election was crucial, as it could have validated ongoing reforms and strengthened the president’s legislative base, which is currently weak. For now, Milei must negotiate with legislators and repeatedly defend his authority. While he has thus far managed to pass reforms without major concessions and has pledged to continue unwaveringly, he will face a significantly strengthened opposition. Announced support from the United States will be critical to stabilise the currency and maintain fiscal discipline, which has enabled the country to achieve an expected primary surplus of 1.5% this year. We are following the situation closely, recognising that political developments will continue to influence market direction despite notable progress already achieved.

Stabiho Emerging Markets’ relative performance over the quarter exhibited significant contrasts, with two clearly distinct periods. August was highly favourable, driven by a series of better-than-expected quarterly results. Conversely, September was dominated by renewed enthusiasm around the AI theme, pushing TSMC to new all-time highs (Taiwan received unprecedented investment flows in September) and bringing along other companies, directly or indirectly exposed to AI, including in China. As a result, relative performance in September suffered. Overall, this aligns with our investment approach: our outperformance in August was based on solid fundamentals and selective stock picking, while our underperformance in September appears largely due to the irrational exuberance surrounding AI.

Over the entire quarter, **the fund’s NAV increased by 10.2%**, in line with the MSCI EM Index.

The top contributors to quarterly performance were Minth Group (China), Jardine Matheson (Singapore), and Sany Heavy Industry (China). Minth benefited from a recovery in European electric vehicle sales and the announcement of initiatives in robotics. Jardine Matheson performed well following the Keswick family’s decision, as owners of the holding, to rationalise assets to improve returns, which had previously been deemed unsatisfactory. A new management team from the private equity sector is expected to facilitate this transition. Sany Heavy’s share price rose following strong interim results and successful international expansion.

Negative contributors to performance included Globant (Argentina), Sumber Alfaria (Indonesia), and Sanlam (South Africa).

Globant, a global IT services company headquartered in Argentina, is a new position in the fund that we are building gradually. The entire IT sector is facing a challenging phase, affected by the emergence of AI. Over time, AI will create new growth opportunities given the complexity of integrating AI solutions within corporate systems. In the meantime, however, as companies await greater visibility on AI’s practical utility—and amid generally subdued economic conditions—clients are cutting traditional IT spending and delaying AI project commitments. We see this transition phase as a rare opportunity to accumulate one of the industry’s strongest franchises at a very reasonable valuation (2026 P/E of 9x).

Sumber Alfaria, better known as Alfamart, is another new addition to the portfolio. This Indonesian gem operates an extensive network of 23,000 convenience stores — “Alfamarts”—selling mostly essential food items. Alfaria also manages 2,500 “Alfamidi” outlets, larger stores targeting the country’s middle- and upper-income consumers. Alfaria’s share price suffered alongside the broader market, and for the first time in a long while, its valuation became reasonable according to our models. We took advantage of this opportunity to build a small position that we expect will contribute positively to future fund performance.

Sanlam’s share price weakened after the release of quarterly results, which were negatively impacted by South Africa’s sluggish economy and the end of its partnership with Capitec in the mass-market funeral insurance segment. Capitec’s distribution network will gradually be replaced by Sanlam’s own, historically stronger among middle- and upper-income clients, aided by the acquisition

Quarterly comments (3/4)

of Assupol, another provider of affordable financial services.

TSMC has been a major drag on relative performance—not only this quarter but since the fund’s inception. Since September 2023, the largest constituent of the MSCI EM Index (6% then and over 10% now) has gained around 170% in USD terms, accounting for roughly one-third (34%) of the index’s total performance over the period. This single stock explains most of Stabiho EM’s relative underperformance, as our fund gained 22% in USD over the same timeframe. We deliberately chose not to include TSMC, anticipating a cyclical slowdown in its business—signs of which were already visible in 2022. Furthermore, the massive capital expenditure by governments and technology companies to expand semiconductor production capacity raised concerns about future price erosion. While our caution initially proved justified, the rise of AI and the extraordinary ascent of Nvidia have temporarily offset these negative effects—for now, at least.

The quarter saw a dense flow of corporate results announcements. Overall, the data confirm that Chinese consumption remains under pressure. Companies are redoubling efforts to manage ongoing deflationary trends and protect their pricing power. Chinese consumers have become increasingly demanding as consumption patterns evolve.

China Resources Beer, the country’s leading brewer, continues to focus on premiumisation. Its premium segment grew 5–6%, while the Heineken brand saw volume growth exceeding 20%. Volumes of Snow, the company’s mass-market product, were flat. CRB demonstrated excellent cost control, resulting in a 23% increase in profits. Yum China also performed well, driven by new store openings and an expanded range of low-priced menu options: more selling space and higher store traffic combined to deliver both sales and profit growth.

Companies adapting successfully to new consumption habits or offering differentiated products are thriving. **Tencent Music Entertainment**, for example, has expanded both its online and offline activities—organising concerts, private events, selling merchandise, and developing original content, which now represents about 30% of total revenue. This enriched offer, reserved for premium subscribers whose share of the user base continues to rise, has driven ARPU growth. Trip.com likewise reported strong results, benefiting from Chinese consumers’ growing enthusiasm for travel.

In addition, several industrial Chinese firms are actively pursuing international opportunities and establishing global leadership positions—examples include Midea, Sany Heavy, and of course BYD, whose export sales surged by 110% in 2025. All of the companies mentioned trade at reasonable valuations, between 12x and 20x earnings.

In Brazil, both **GPS** and **RD Saude** reassured the market with solid quarterly results. Comparable store sales growth for RD Saude’s pharmacy chain remained resilient at 7.3%, reflecting market share gains and allowing for good dilution of administrative costs. This performance reinforces management’s guidance provided after the first quarter regarding both sales and margins, supporting the stock’s long-term potential.

Results for Grupo GPS, an industrial services company, indicate a potential inflection point. Organic sales growth returned to 6%, providing confidence in the company’s ability to integrate large acquisitions while continuing to pursue new opportunities, even amid Brazil’s challenging economic environment. At 14x earnings, this high-quality “compounder” appears attractive, particularly given the consolidation potential in Brazil’s business services sector.

In South Africa, the weak economic environment limits companies’ ability to generate outstanding results. Bidvest, like GPS, operates in business services as well as transport and port services and was negatively impacted in its cyclical segments. This setback does not raise significant concern. Over the past three years, Bidvest has completed multiple acquisitions to consolidate the hygiene (office bathrooms) and corporate cleaning markets. The next three years will focus on integrating these acquisitions, generating cash flow, and reducing debt. Net profit growth of 8–12% per year is feasible, with a yield of around 4%. At 9x earnings, Bidvest has rarely been this attractively priced.

Regarding portfolio activity during the quarter, in addition to Globant and Alfamart, three other companies were added to the portfolio. As these positions are still being built, we will provide further details in upcoming reports.

We divested from Odontoprev (Brazil/healthcare) due to limited growth prospects, PDD (China/retail) given declining visibility for its international subsidiary Temu, Sinopharm (China/healthcare) whose pharmaceutical distribution operations are pressured by regulations, and URC (Philippines/consumer) which struggles to restructure an aging brand portfolio. We also took profits on TME

Quarterly comments (4/4)

(China/music), Jardine Matheson (Singapore/holding), Minth (China/industrial), and GPS (Brazil/services).

Global emerging market economic growth has improved slightly relative to year-end forecasts, rising from +3.4% to +3.9% in aggregate in the latest estimates as of late September. Dollar depreciation and anticipated rate cuts by the Federal Reserve have enabled some central banks to loosen monetary policy. These easing measures are far from exhausted, while several countries have started deploying fiscal policies (China, Indonesia, Brazil), within reasonable limits. Consequently, near-term prospects appear encouraging.

The BRIC alliance, and particularly the recent rapprochement among China, Russia, and India, is another positive factor. These countries are complementary, and India offers substantial new export opportunities for China. We expect numerous direct flights between Delhi and Beijing in the future, which currently do not exist, while approximately twenty direct flights connect Delhi and New York daily.

Finally, emerging market equities have rebounded, outperforming developed markets for the first time in a long while. The MSCI EM Index increased 25% in USD and 12% in EUR during the first nine months of the year, compared to the MSCI World Index, which rose roughly 3% in EUR. Global mandates maintain around a 5% allocation to emerging markets—still well below historical levels. Given the attractive growth prospects and valuation levels, the upside potential for this asset class is substantial and clearly outweighs the downside risk.

Wojciech et Charles

*Past performance does not guarantee future performance. Performance is calculated net of management fees.
 Past performance is reported when a full calendar year of performance is available.*

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