

# Mobius

— CAPITAL PARTNERS —

Drüscher & Cie FondsRadar | Emerging Markets Equity  
Mobius Emerging Markets Fund

# Mobius

— CAPITAL PARTNERS —

*Drescher & Cie FondsRadar*  
*Mobius Emerging Markets Fonds*

*Oktober 2024*

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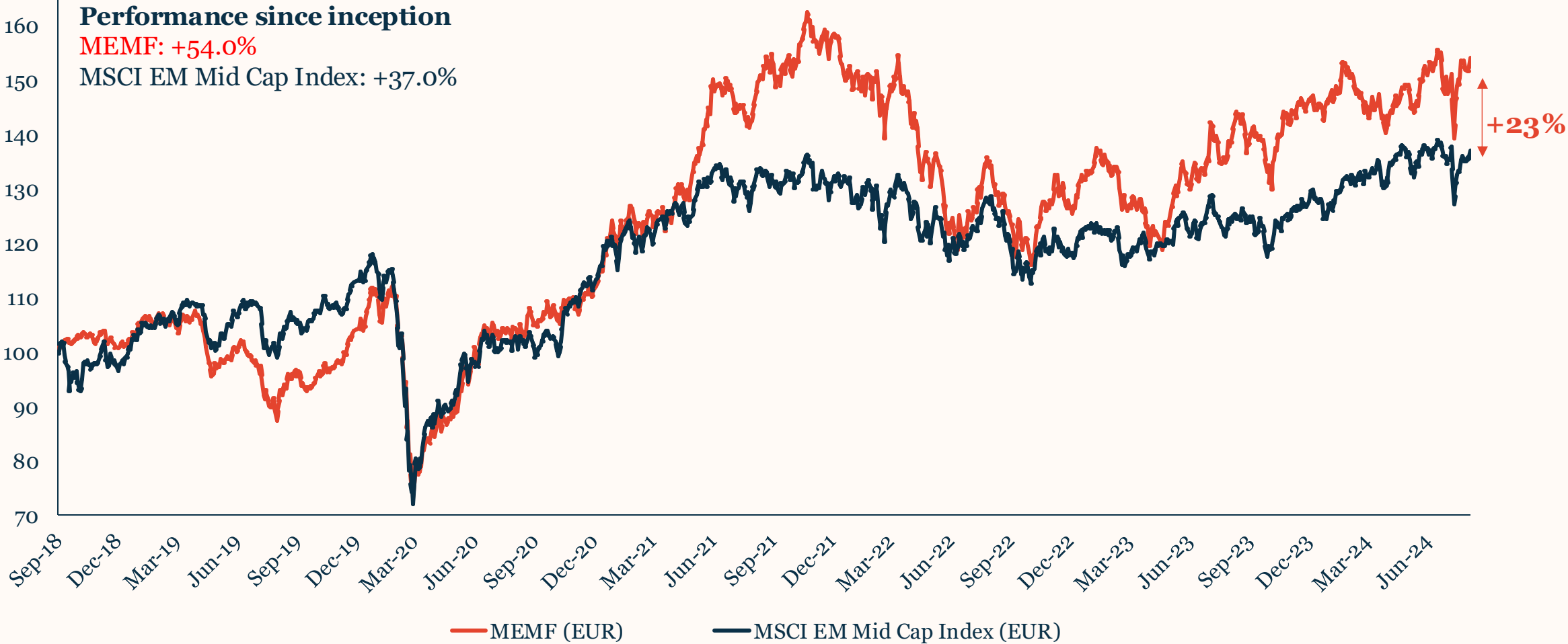
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Mobius Capital Partners is the fund manager of Mobius SICAV - Mobius Emerging Markets Fund.

# MCP's Strategy Outperformed the Market

*MCP's approach has generated sustainable outperformance over the past 6 years*



# Overview

## Focus on a single strategy

*Active engagement combined with an unconstrained approach across emerging and frontier markets, without conflicts of interest*

## Access to under-covered, lesser-known companies

*98%+ active share without benchmark constraints, a well-differentiated portfolio and low correlation with peers*

## Concentrated portfolio with differentiated growth potential

*25-30 innovative, niche businesses catering to: AI, machine learning, renewable energy, domestic consumption, and middle-class growth in EM*

## Leveraging vast network to conduct deep DD process

*A private equity-like approach to public equities – utilising the founder’s vast network built over 20+ years to conduct in-depth research*

## Risk management through engagement & macro-overlay

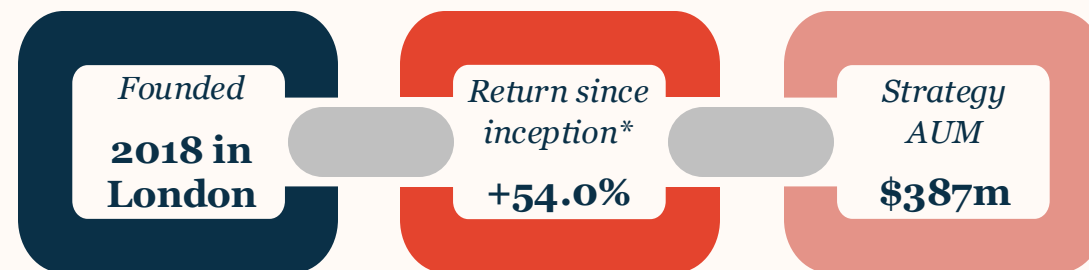
*Differentiated risk/return profile through a rigorous country/sector overlay and engagement with senior stakeholders*



**Carlos von Hardenberg**

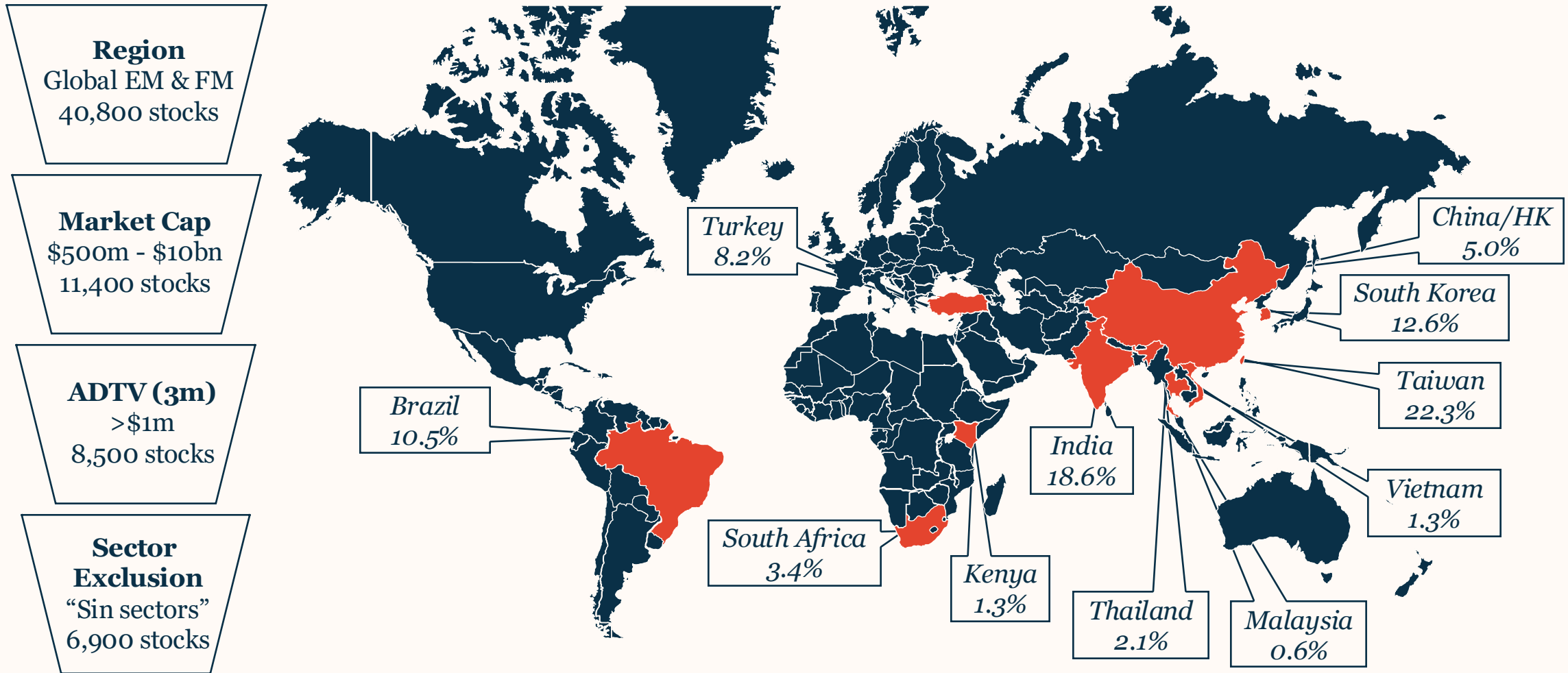
*Founding Partner & Portfolio Manager*

- Portfolio manager of MEMF and MMIT since inception in 2018, generating a return of +54.0% (Private C EUR Founder Share Class).
- 20+ years of investing experience, previously EVP and MD for the Templeton Emerging Markets Group overseeing >\$27bn in AUM
- Appointed lead manager of the £2bn London-listed Templeton EM Investment Trust (TEMIT) in 2015
- Established and managed one of the largest frontier market funds for a decade – the Templeton Frontier Markets Fund, which grew to over \$3.5bn in AUM
- Studied Investment Management at City University London, and economics in Germany, the UK and Pennsylvania, US.

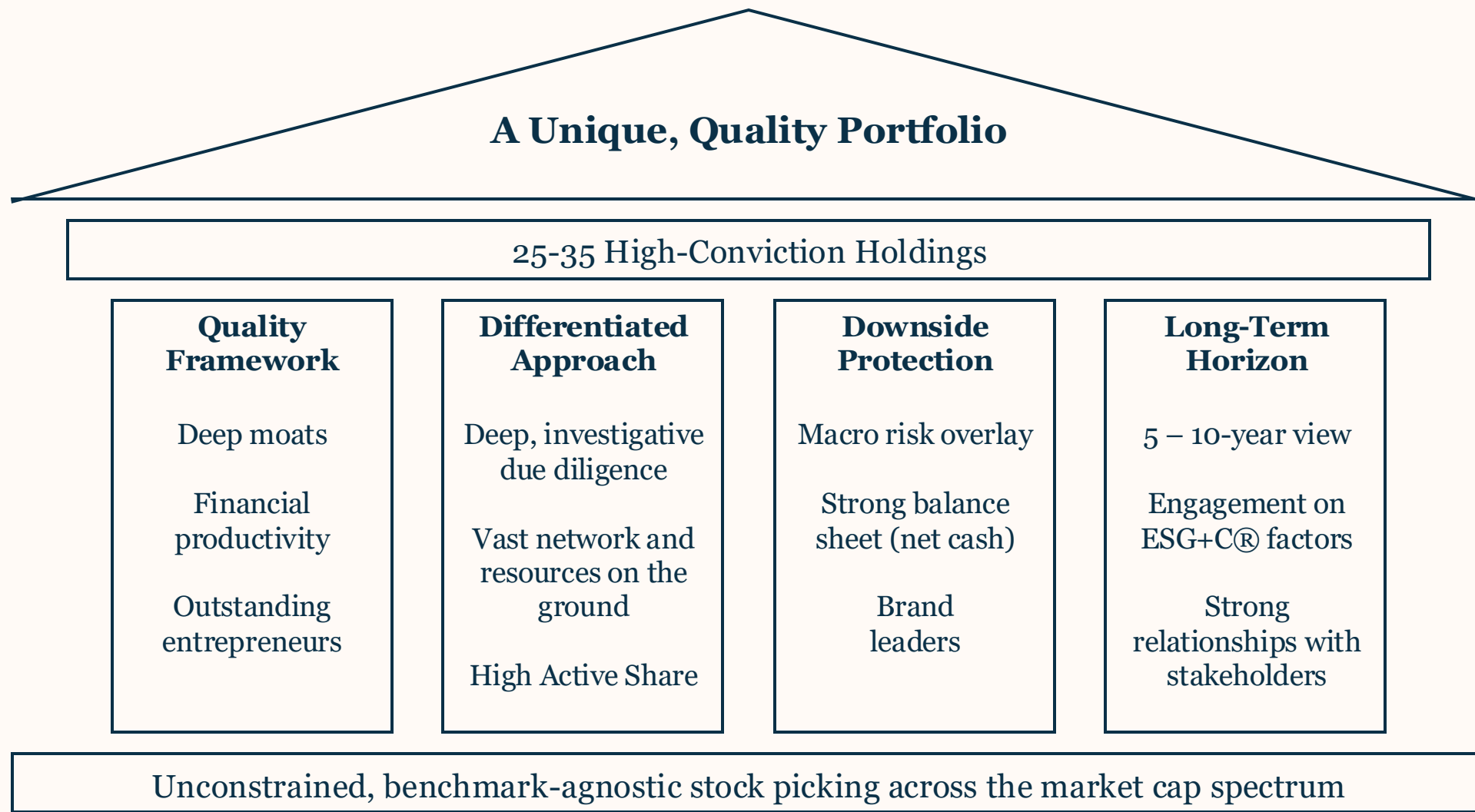


# Our Universe – Global Emerging and Frontier Markets

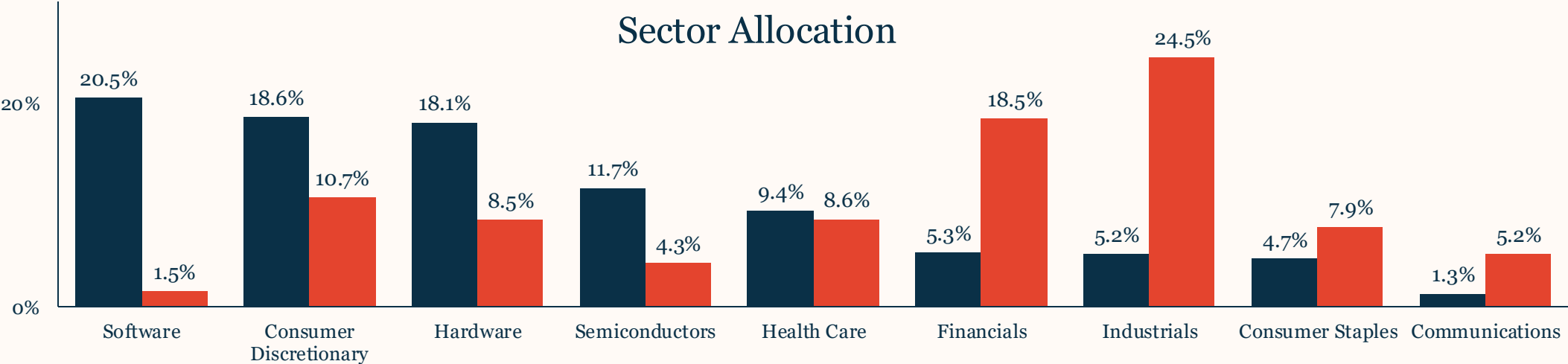
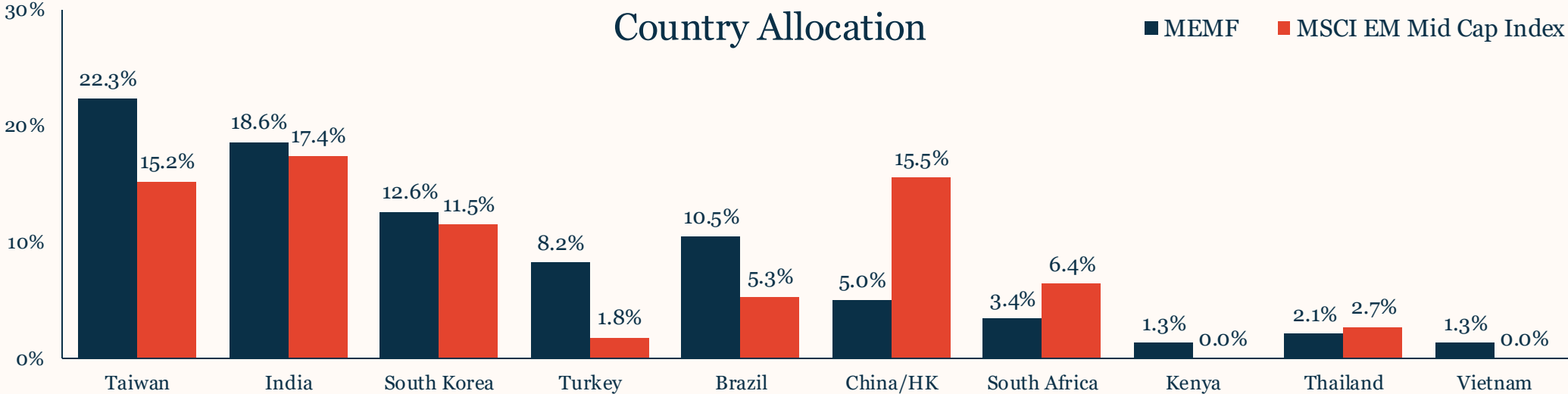
*MCP finds the most interesting opportunities in Asia*



# Philosophy: Focus on Quality and Downside Protection



# Country & Sector Allocation



Source: Bloomberg, MCP, Frostrow  
 Others (MCP): Cash (5.2%), US (9.1%)  
 Industrials includes Materials, China includes Hong Kong.  
 Weights rounded to one decimal place. Portfolio allocation may vary over time

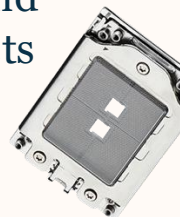
# MCP's Intense On-The-Ground Research...



# ...Resulted in High-Conviction Additions to the Portfolio

## LOTES

Lotes is among the global top three manufacturers and suppliers of CPU sockets and connectors, with 3,200 patents.



Country	Sector
TWN	Hardware
Weight	Market Cap
3.4%	\$5.3bn
Invested	Contribution to Return
Q2	0.5%

## ctos

CTOS is Malaysia's premier credit bureau with significant market potential in the local SME and financial services space, as well as across ASEAN.



Country	Sector
MYS	Professional Services
Weight	Market Cap
0.6%	\$0.7bn
Invested	Contribution to Return
Q3	0.0%

## Chroma

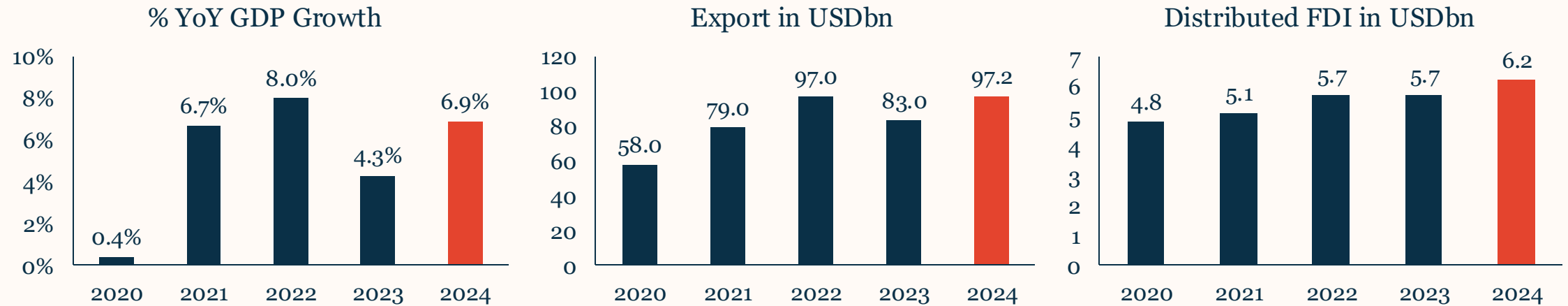
Chroma is a world-leading supplier of testing equipment catering to consumer electronics, EV, semiconductors, and AI/HPC segments.



Country	Sector
TWN	Hardware
Weight	Market Cap
2.7%	\$4.3bn
Invested	Contribution to Return
Q2	0.6%

# Vietnam – Key Takeaways

## Macro indicators showing positive signs of recovery and re-acceleration



- **Prime Minister** To Lam is viewed as pro-business and pragmatic, focusing on economic growth, technology, private sector support, and boosting FDI.
- **Manufacturing** exports face challenges from weak global demand, but sectors like textiles and garments are recovering, supporting the labour market.
- **Real estate & banking sectors** are stable with improving earnings and credit growth
- Vietnam removed pre-funding for foreign investors, boosting market liquidity in a move **towards upgrading to emerging market status.**

# ASEAN Macro – GDP Growth / FX Tailwinds

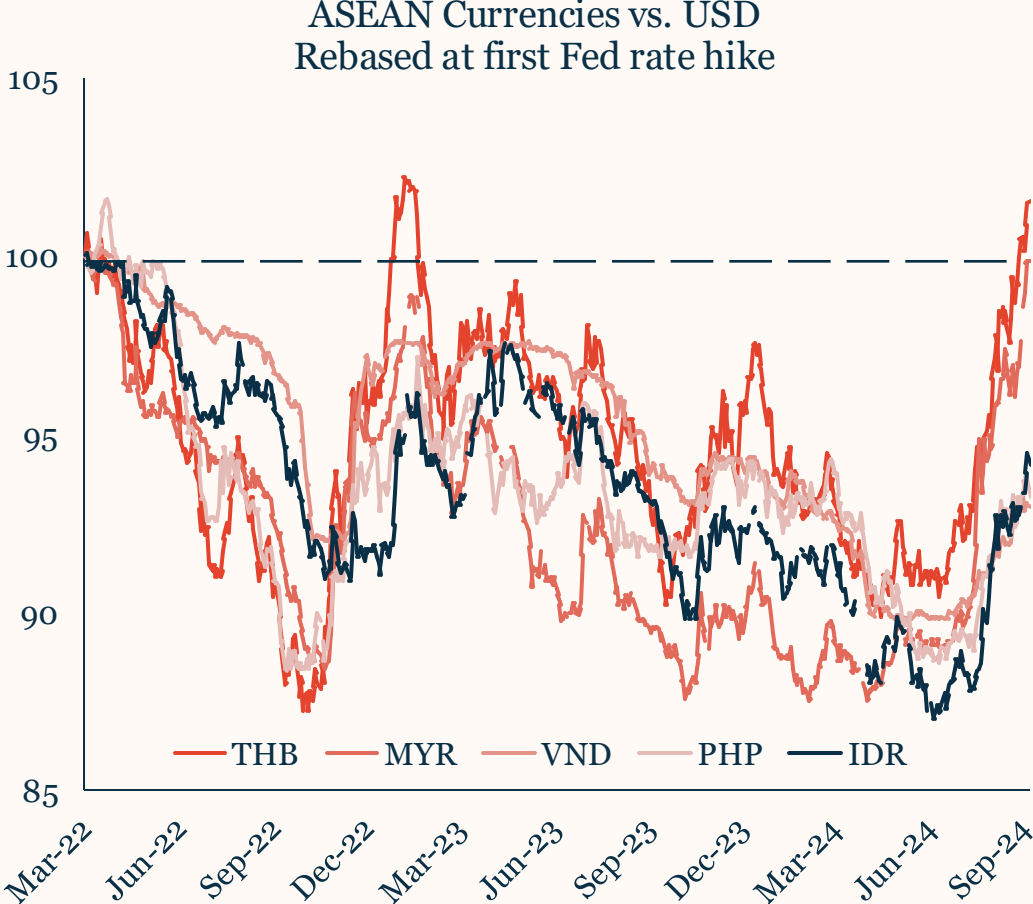
## GDP Forecast by Country

	2023	2024	2025
Indonesia	5.0	5.1	5.2
Malaysia	3.6	5.2	2.1
Philippines	5.5	6.0	6.2
Thailand	1.9	2.4	2.8
Vietnam	5.0	6.4	6.2
ASEAN-5	4.4	5.0	5.1
China	5.2	4.8	4.3
US	2.6	2.3	1.8

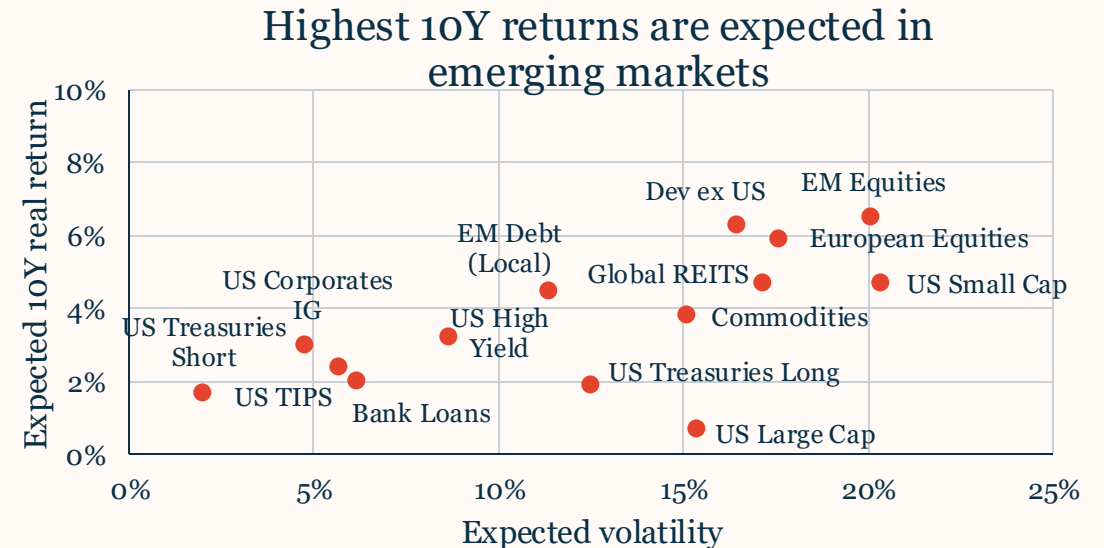
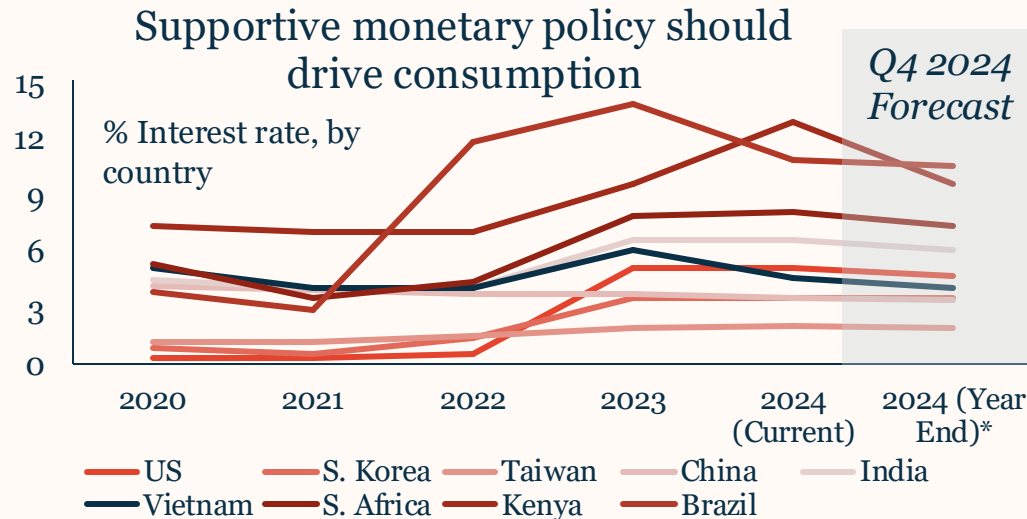
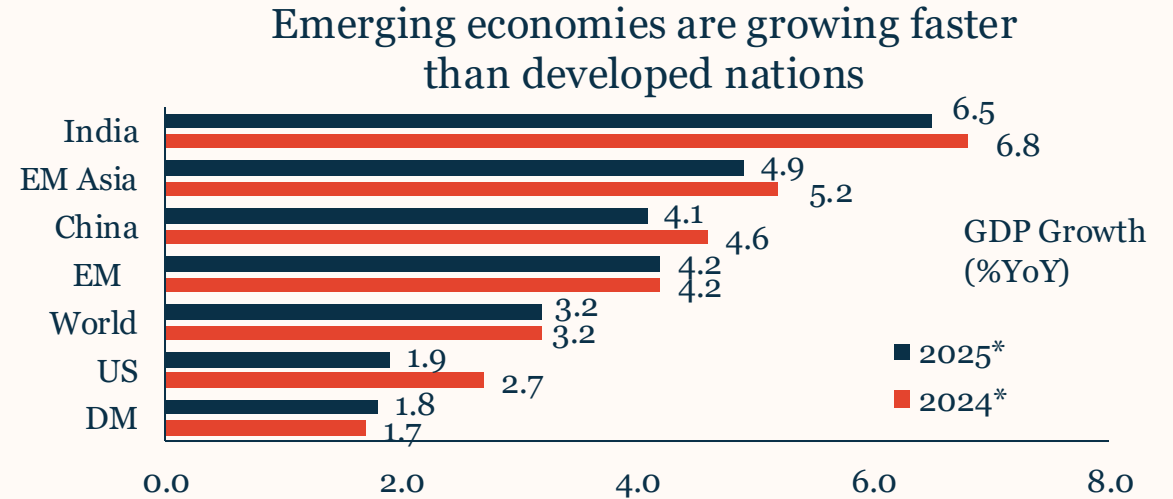
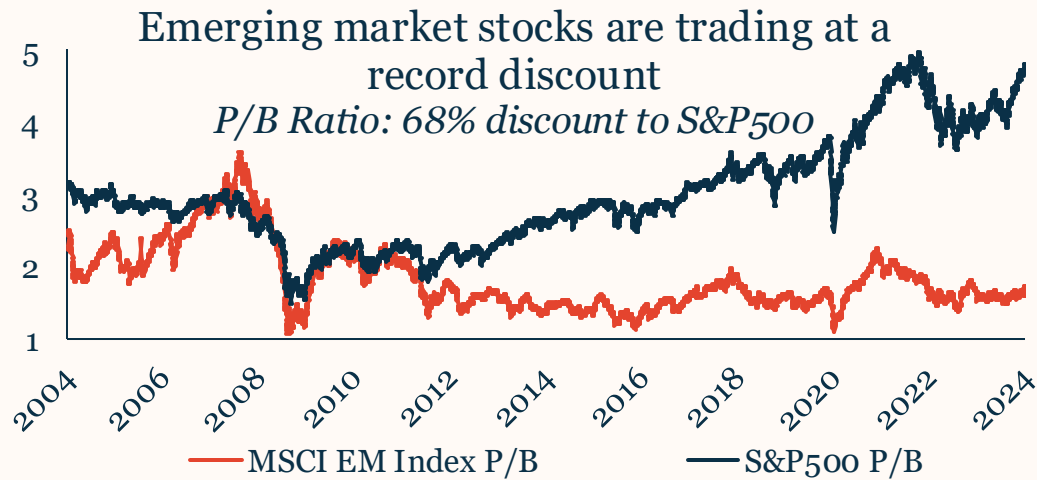
## Key Drivers / Catalysts

- Fed & ASEAN central bank **rate easing** and low inflation to spur consumption
- **Supply chain** diversification and rising **FDI**
- Steady **tourism** recovery, projects (Johor, Penang, ...)

## ASEAN currencies to appreciate as Fed cuts



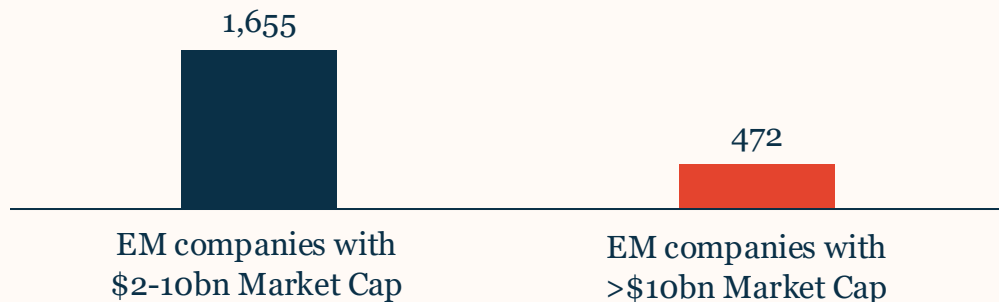
# Emerging Markets Might Be at a Turning Point



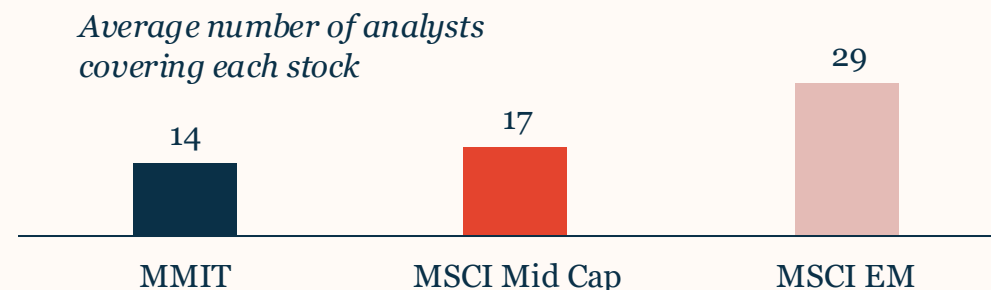
# Mid Cap Stocks Offer Potential to Generate Stronger Alpha

*MCP invests in smaller, innovative quality companies that are less discovered by the market*

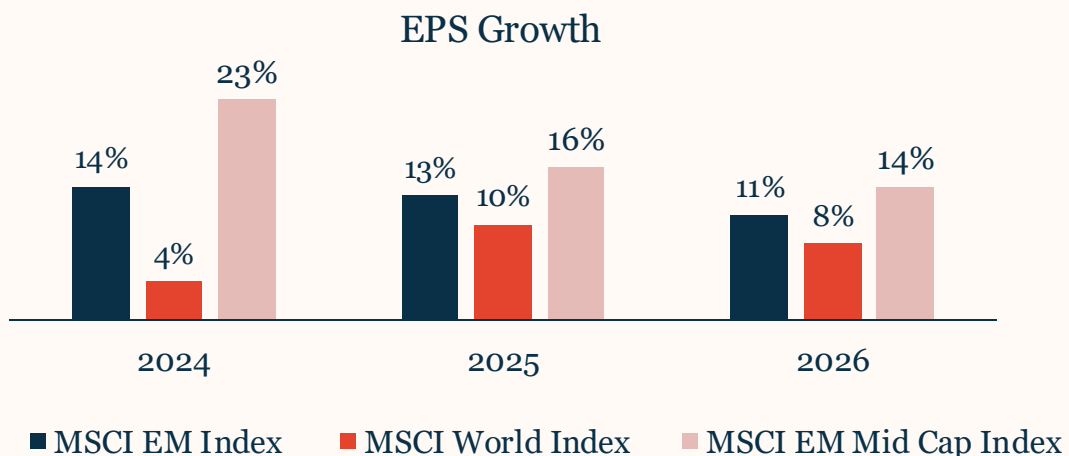
**Mid cap stocks offer a broader universe...**



**...with less analyst coverage...**



**...and significant growth potential!**



## **What we like**

- *Driven by entrepreneurs and founding families*
- *Flexible business models with a “challenger / disrupter” mentality*
- *Less well owned and understood*
- *Market inefficiencies offer opportunities for active managers to generate alpha*

# Outlook

*While volatility may persist for some time, several factors seem to support the outlook for emerging markets*

## Earnings Growth

*Earnings growth in EMs for 2024 and 2025 is forecasted at **17%** and **15%**, versus 11% and 14% in the US*

## GDP Growth

*EM GDP is forecasted at **4.2%** for 2024 and 2025, compared to 2.7% and 1.9% in the US, and 1.1% and 1.8% in the EU.*

## Demographics

*EMs account for **<80%** of world's population now and **<50% middle class** by 2030*

## Monetary Policy

*Many EMs ahead in the monetary easing cycle, improving **consumer sentiment** and **corporate spending**.*

## Innovation

*EMs are leaders in cutting-edge sectors like **AI**, **5G**, and **renewable energy***

## Valuations

*MSCI EM Index trades at **37% discount** on a P/E and a **68% discount** on a P/B basis to the S&P500*



Engagement & ESG+C®

# Uncovering High-Potential Leaders

*We are not looking for today's sustainability champions but are actively engaging with companies to help them to become sustainability leaders of tomorrow*

**Excluded sectors**

-  Genetic engineering
-  Nuclear energy
-  Gambling
-  Fossil fuels
-  Pornography
-  Tobacco
-  Alcohol
-  Weapons

Focus Areas	Environmental	Social	Governance	Culture	Capital Allocation
	<ul style="list-style-type: none"> <li>• CDP Scores</li> <li>• Environmental Targets</li> </ul>	<ul style="list-style-type: none"> <li>• SDG Contribution</li> <li>• Employee Training</li> </ul>	<ul style="list-style-type: none"> <li>• Female Leadership</li> <li>• GRI Compliance</li> <li>• Board Independence</li> </ul>	<ul style="list-style-type: none"> <li>• Share Options</li> <li>• Glassdoor Scores</li> <li>• Employee Benefits</li> </ul>	<ul style="list-style-type: none"> <li>• High ROIC</li> <li>• Debt Service Metrics</li> <li>• Balance Sheet Quality</li> </ul>

Blended Process	Investment Process: Integration in Research Process	Portfolio Monitoring: Active Ownership
	Material ESG factors are integrated both quantitatively and qualitatively into our investment process.	Engaging constructively with companies on ESG+C® factors to assist them to become leaders within their sector.

Given the limited data available in our investment universe, our unique approach relies on proprietary and customised research. With a focus on materiality, we compare companies while taking into account local customs and regulations. This distinctive methodology provides a nuanced and tailored understanding of companies that goes beyond standardised ratings.

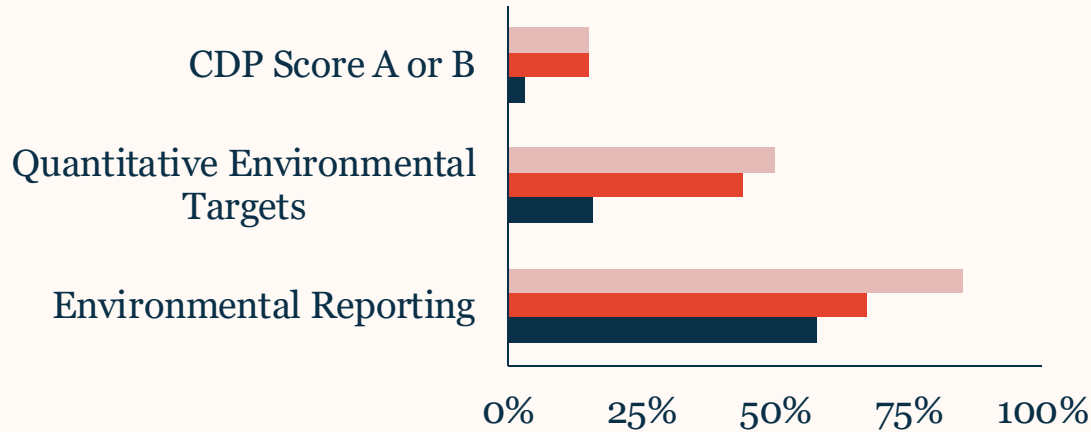
# ESG+C® – Good Improvements Over Time

■ Q4 2020

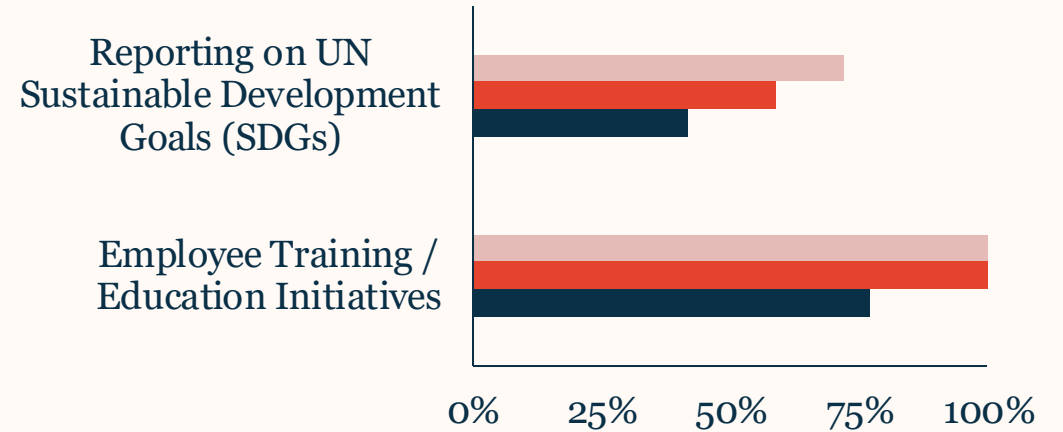
■ Q2 2023

■ Q2 2024

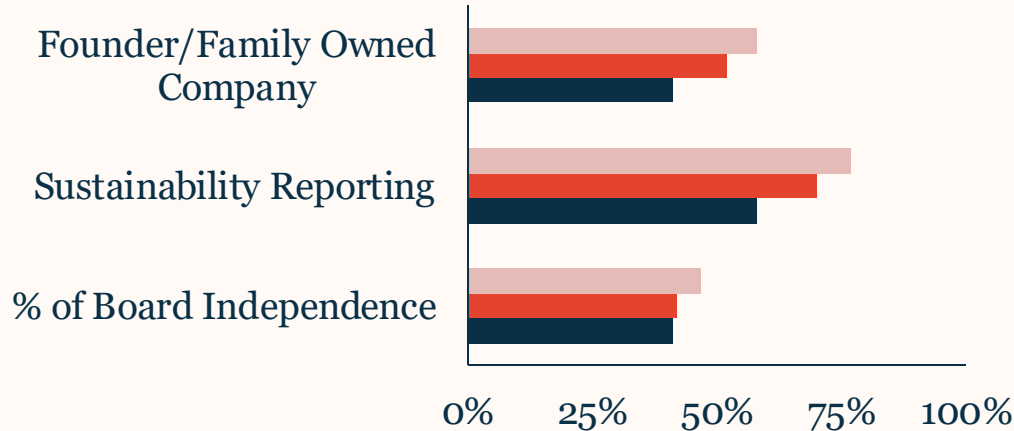
## Environmental



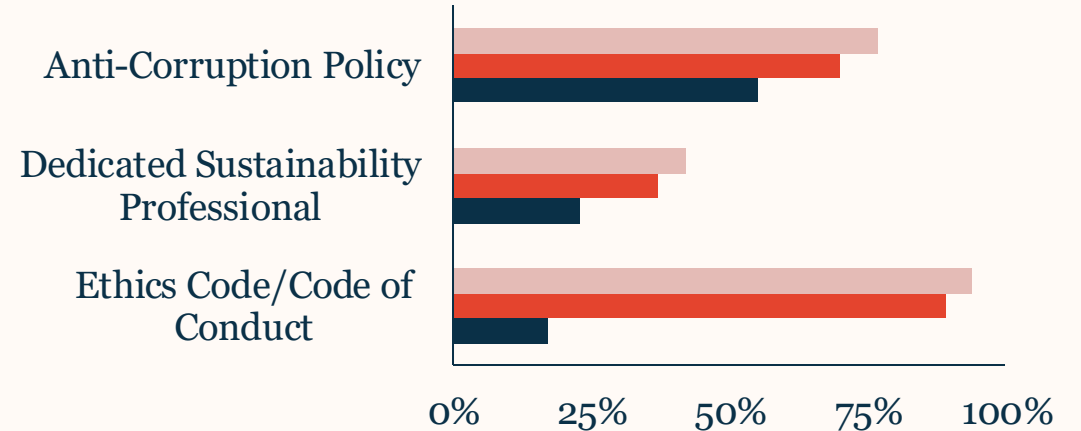
## Social



## Governance



## Culture



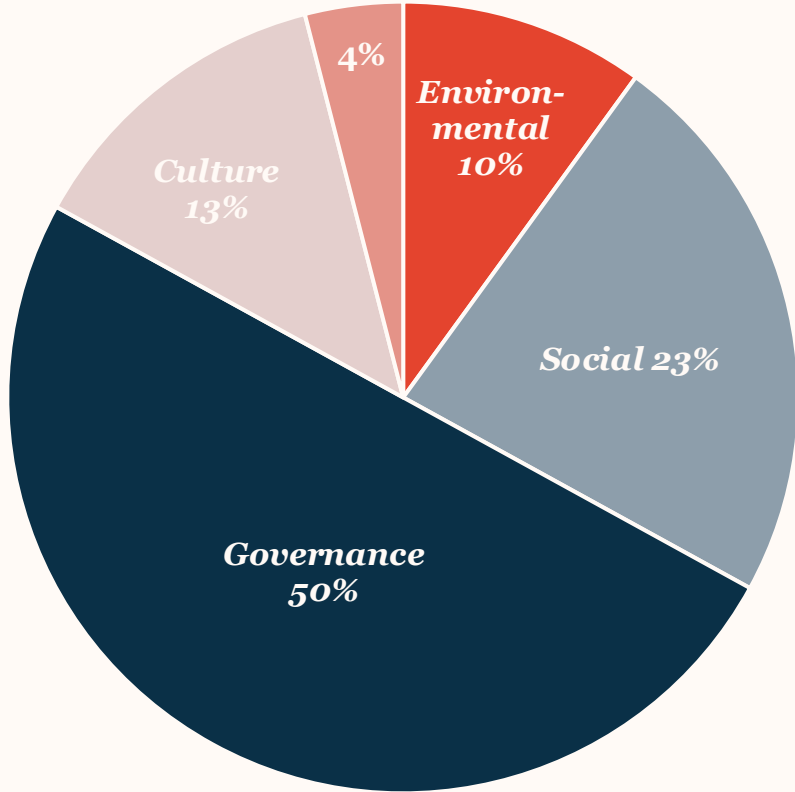
# Engagement Summary



## Engagement Highlights

186 Ongoing Engagement Points

*Operations*



**Vinamilk** was recognised as a leader in sustainability, ranking in the top 5 in the dairy industry globally according to Brand Finance.



**Safaricom** joined the UN Global Compact's Forward Faster initiative, which aims to accelerate private sector action to deliver on the 17 SDGs and meet the 2030 Agenda.



**Elite Material** published a sustainability report compliant with GRI (Global Reporting Initiative) standards.



**EPAM Systems** has been recognised as a 'Best Place to Work' by Glassdoor and boasts a score of 4.1/5.



**Persistent Systems** appointed Anjali Joshi, with 13 years of experience at Google, as a new independent director. **APL Apollo** also added two new independent board members.

400+



Engagement letters sent to portfolio companies

2/week



Update calls & meetings with portfolio companies

3/week



Introductory calls/meetings with pipeline companies

# Mobius

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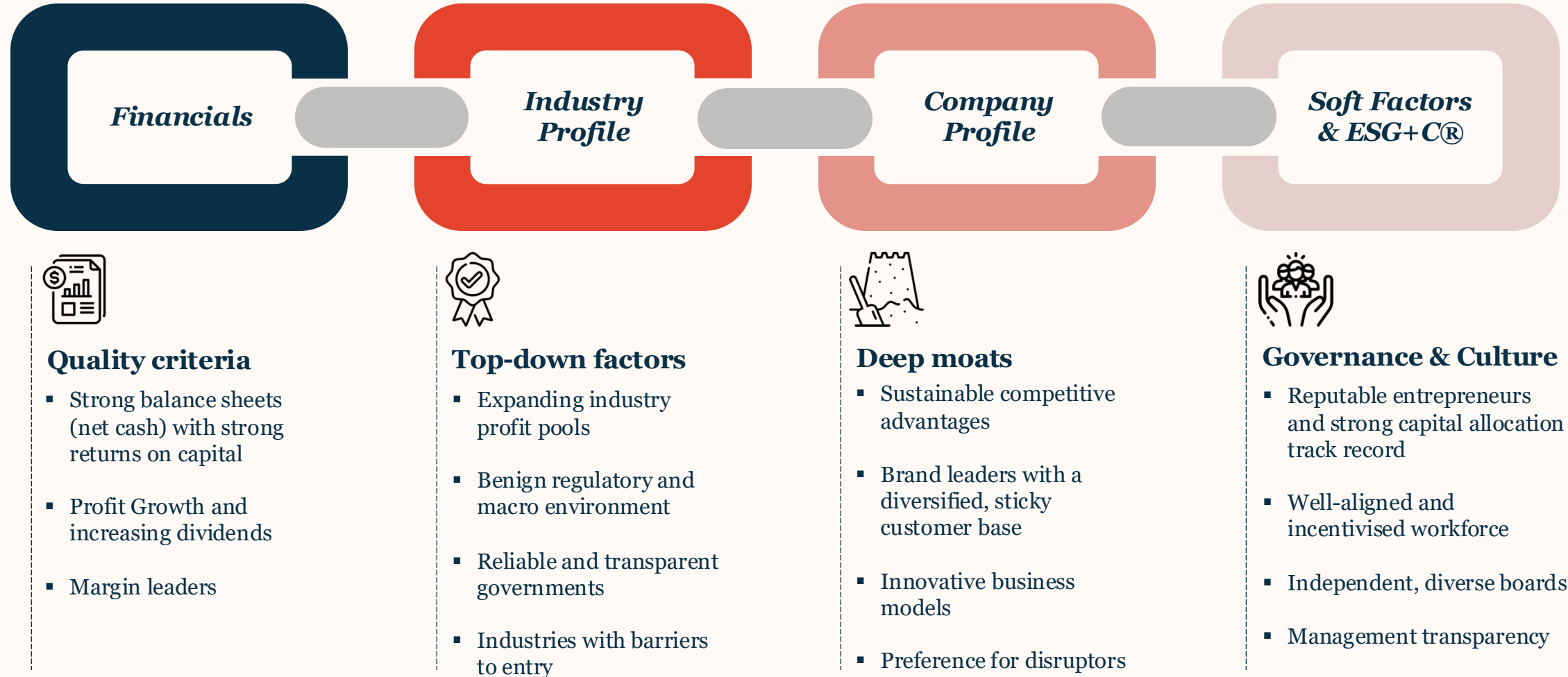
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# What Does an MCP Stock Look Like?



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