# Risk Discipline in Emerging Markets – What the Asian AI Correction Tells Us.

**RAM Systematic Equity team**
**RAM (Lux) Systematic Funds – Emerging Markets Equities Fund** · IP USD share class · ISIN LU0704154458
9 November 2026

**The sharp correction in Asian AI-related Technology stocks over recent weeks only reinforces our conviction that strong risk discipline is essential when investing in Emerging Markets equities.**

The Emerging Markets universe offers plenty of compelling growth opportunities at attractive valuations, but generating high returns over the long run has always required diversified risk exposures and a high-quality selection.

Our strategies find a number of Asian AI-related companies attractive, but they also invest across many other themes, such as Thai Consumer and Financial companies, Greek Energy companies with very large cash-flow generation, Health Care companies in China and India, and Consumer Staples leaders from Turkey to South Africa.

Taiwanese and Korean Technology stocks now make up more than a third of the MSCI Emerging Markets index, the fund's benchmark. The fund holds less than half that weight, which limited the impact of the recent sell-off on the portfolio.

At the end of October, the fund's selection offered a free-cash-flow yield of 7.9% excluding financials, close to double the index's 4.1%. It traded at nearly 12 times earnings against 13.1 for the index, with a dividend yield of 3.6% against 2.2%, which makes it better suited to a tougher financing environment.

Emerging Markets equities still trade at a discount to their developed-market peers, despite stronger growth and quality metrics that are now better by many measures.

The strategy seeks to capture these opportunities within a portfolio built on disciplined risk management.

**TAIWAN & KOREA TECHNOLOGY**

**16.6%** of the fund

vs 38.7% of MSCI EM, 30.10.2026

**FREE CASH-FLOW YIELD EX-FINANCIALS**

**7.85%**

vs 4.13% for MSCI EM, 05.11.2026

**PRICE / EARNINGS**

**11.83x**

vs 13.07x for MSCI EM, 05.11.2026

**DIVIDEND YIELD**

**3.65%**

vs 2.26% for MSCI EM, 05.11.2026

**EM VS DM FREE CASH-FLOW YIELD**

**4.03%** MSCI EM

vs 3.10% for MSCI World, 31.10.2026

Source: RAM AI, FactSet. Fund and index weights at end of day.

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• PORTFOLIO · FUNDAMENTALS

## A cheaper, more cash-generative selection – *fund vs MSCI EM, 05.11.2026*

| METRIC | RAM EMERGING MARKETS EQUITIES | MSCI EMERGING MARKETS | RELATIVE |
|---|---|---|---|
| Price / earnings | **11.83x** | 13.07x | −1.25x |
| Dividend yield | **3.65%** | 2.26% | +1.39 pts |
| Price / book | **1.66x** | 2.09x | −0.43x |
| FCF yield (ex-financials) | **7.85%** | 4.13% | +3.72 pts |
| Return on equity | **14.03%** | 15.95% | −1.92 pts |

Source: FactSet, RAM AI · Data as of 05.11.2026, the last position date with FactSet data · Weighted fundamentals of the fund's holdings and of the MSCI Emerging Markets constituents, end-of-day weights. Price / earnings = market value over aggregate trailing earnings, losses included (loss makers: fund 1%, index 2% of the book); price / book = market value over aggregate book value; dividend yield, return on equity and FCF yield are weighted means, the FCF yield of financials left out.

• MARKETS · VALUATION

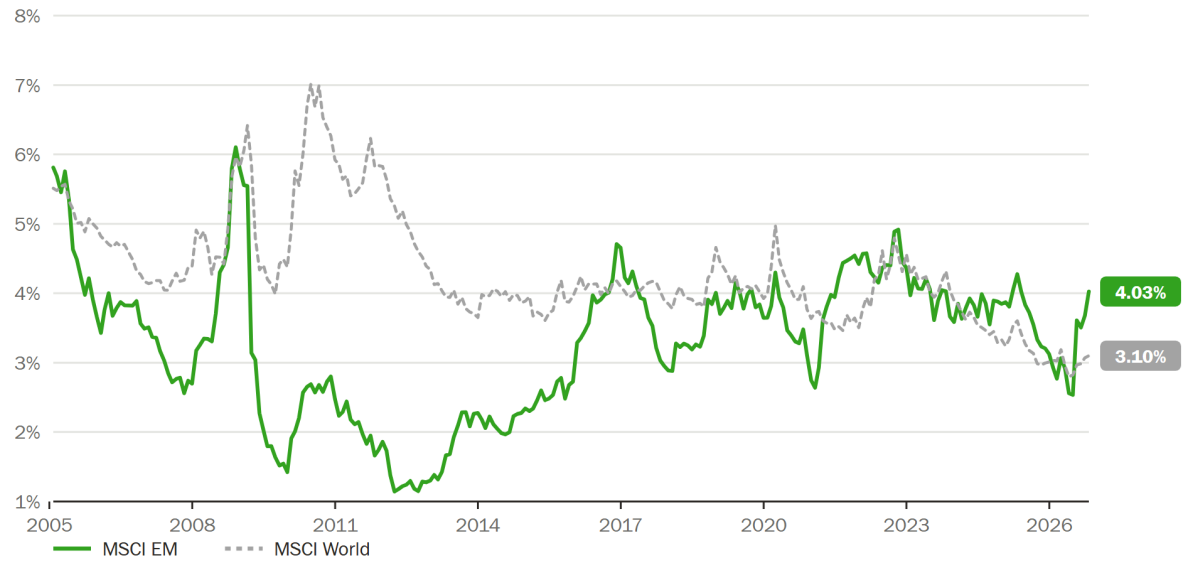
## EM vs DM – *free cash-flow yield*

Free cash-flow yield ex-financials, trailing 12 months – EM has out-yielded DM in 63% of the months of the past five years.

**4.03%**
MSCI EM · FCF YIELD

**3.10%**
MSCI WORLD · FCF YIELD

**+0.93 pts**
EM PREMIUM



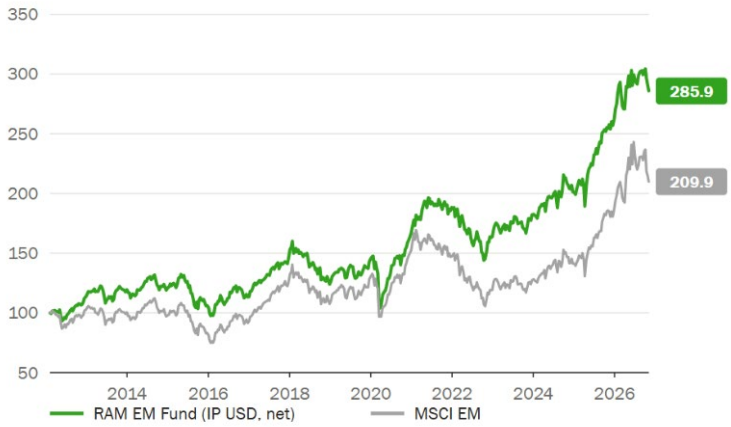

Source: FactSet, RAM AI · Data as of 31.10.2026 · Month-end points since 2005; free cash flow (operating cash flow − capex) over market value, trailing 12 months, each constituent's (financials excluded), index-weighted mean — the MSCI EM and MSCI World constituents. The same chart as in the October 2026 EM monthly report.

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• STRATEGY · PERFORMANCE

## IP USD share class – *since inception vs MSCI Emerging Markets, 06.11.2026*

*Past performance is not a reliable indicator of future results.*

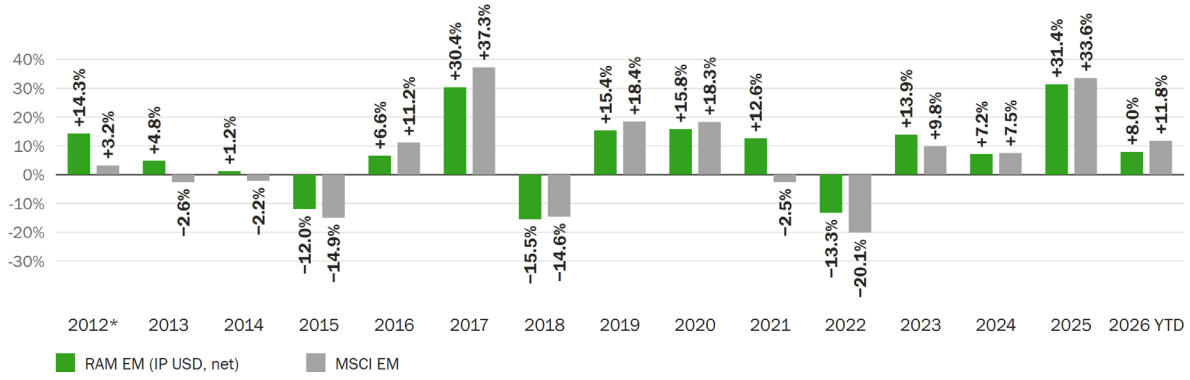



| SINCE INCEPTION | RAM EM | MSCI EM |
|---|---|---|
| Total return | **185.9%** | 109.9% |
| Annualised return | **7.4%** | 5.2% |
| Annualised volatility | **13.2%** | 16.3% |
| Sharpe ratio | **0.49** | 0.29 |
| Maximum drawdown | **−40.8%** | −39.0% |
| Beta | **0.75** | – |
| Alpha (annualised) | **2.8%** | – |
| Tracking error | **5.7%** | – |
| Information ratio | **0.39** | – |
| Down capture | **0.72** | – |

Source: RAM AI · Data as of 06.11.2026 · Net of fees, IP USD share class (LU0704154458), NAV rebased to 100 at the launch of the share class on 07.02.2012, versus the MSCI Emerging Markets Net Total Return index in USD (NDUEEGF). Statistics since inception on daily NAVs; Sharpe on the USD deposit curve; tracking error and information ratio on weekly observations; beta, alpha, down capture on daily returns. The index's last close in the database is 05.11.2026: the chart and the statistics end on that day, the fund's NAV of 06.11.2026 enters the period returns and the calendar years.

• CALENDAR YEARS

## Calendar-year performance – *every year since inception, and 2026 to 06.11.2026*




Source: RAM AI · Data as of 06.11.2026 · IP USD share class, net of fees, versus MSCI Emerging Markets NTR in USD. Calendar years from 31 December to 31 December; * 2012 from the launch of the share class on 07.02.2012; 2026 YTD from 31.12.2025 to 06.11.2026.

• NOTES ON THE FIGURES

**Taiwan and Korea Technology.** Weight of the Information Technology sector's Taiwanese and South Korean companies, fund and MSCI Emerging Markets, end-of-day positions of 30.10.2026: 16.6% against 38.7%.

**Fundamentals.** FactSet company fundamentals of every holding and every index constituent, weighted by end-of-day weights (RAM Sales Monitor, Fundamentals tab). Price / earnings and price / book are aggregates (market value over aggregate earnings or book value); dividend yield, return on equity and free cash-flow yield are weighted means, financials left out of the free cash-flow yield.

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**EM vs DM free cash-flow yield.** The same method applied, month-end by month-end since 2005, to the MSCI Emerging Markets and MSCI World constituents of each date (FactSet benchmark history), as shown in the October 2026 EM monthly report.

**Performance.** Official net asset values of the IP USD share class (LU0704154458), net of fees, dividends reinvested, against the MSCI Emerging Markets Net Total Return index in USD. The chart and the statistics run from the launch of the share class on 07.02.2012 to 06.11.2026; calendar years are 31 December to 31 December (2012 from the launch); 2026 is year to date at 06.11.2026.

## • IMPORTANT INFORMATION

RAM (LUX) Systematic Funds — Emerging Markets Equities Fund is a Sub-Fund of RAM (Lux) Systematic Funds, a Luxembourg SICAV with registered office: 14 Boulevard Royal, L-2449 Luxembourg, approved by the CSSF and constituting a UCITS (Directive 2009/65/EC). Mediobanca Management Company S.A., 2 Boulevard de la Foire 1528, Luxembourg, is the Management Company. The Sub-Fund is registered for distribution in: AT, DE, BE, CH, DK, ES, FI, FR, GB, IT, NL, LUX, NO, SE, PT. Not all share classes are registered in all countries.
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