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EM Technology: The Largest Allocation, a Structural Underweight

How 347 active GEM funds are positioned in Information Technology, April to October 2026

November 2026

OVERVIEW

Information Technology

Active GEM fund positioning, April to October 2026

Information Technology is 37.1% of the average active GEM fund, close to its all-time high. The sector's -5.08% underweight is almost entirely TSMC, where UCITS single-stock limits cap holdings near 10% against an index weight of 15.9%. Outside TSMC, managers are slightly overweight.

IN BRIEF

1 Average weight up 2.81% in six months to 37.1%; excluding TSMC, funds are 0.22% overweight the rest of the sector.

2 Estimated net outflows of $13.0bn, the largest of any sector; 212 funds sold and 95 bought.

3 The active decisions were selling South Korea, SK hynix and Samsung, and buying into MediaTek and the AI supply chain.

KEY FIGURES

37.1%
Average fund weight
up 2.81% in six months

-5.08%
Average weight vs EEM
almost entirely TSMC

-$13.0bn
Estimated net fund flows
the largest outflow of any sector

30.1%
Funds overweight
down 14.5% in six months

Sector Allocation and Benchmark Positioning

Information Technology is 37.1% of the average active GEM fund, almost twice Financials (A, D). EEM's weight has risen faster, to 42.2% (B), leaving funds 5.08% underweight (C, E). Almost all of that gap is TSMC, which UCITS funds cannot hold above 10%.

37.1%
Average fund weight almost twice Financials

42.2%
EEM weight iShares MSCI EM ETF

-5.08%
Average weight vs EEM almost entirely TSMC

A Average fund weight

Monthly since 2008, %



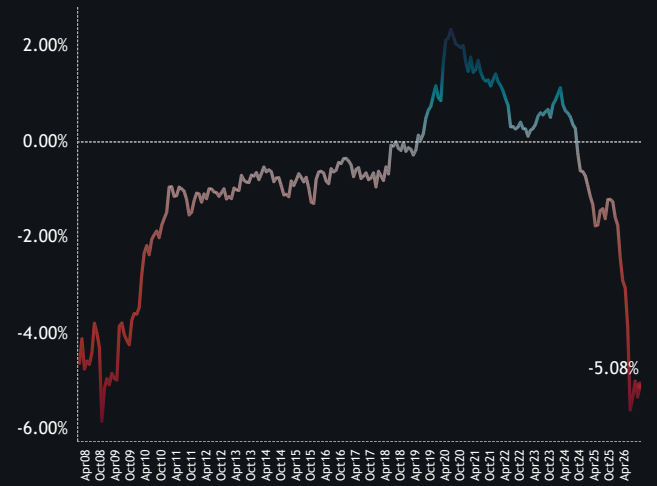
B EEM weight

iShares MSCI EM ETF, cash adjusted, %



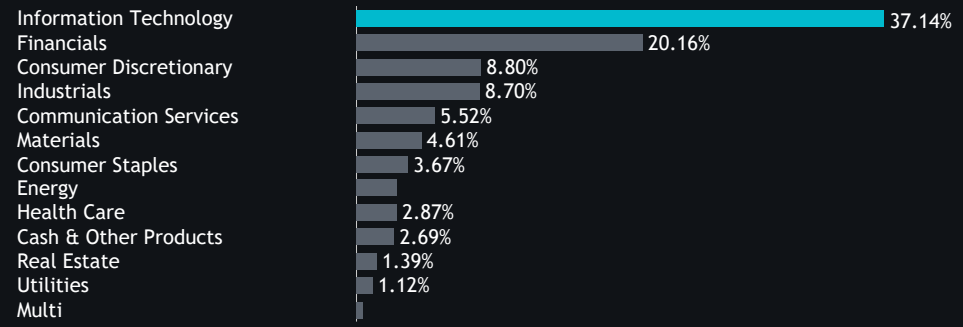
C Average weight vs EEM

Over / underweight, %



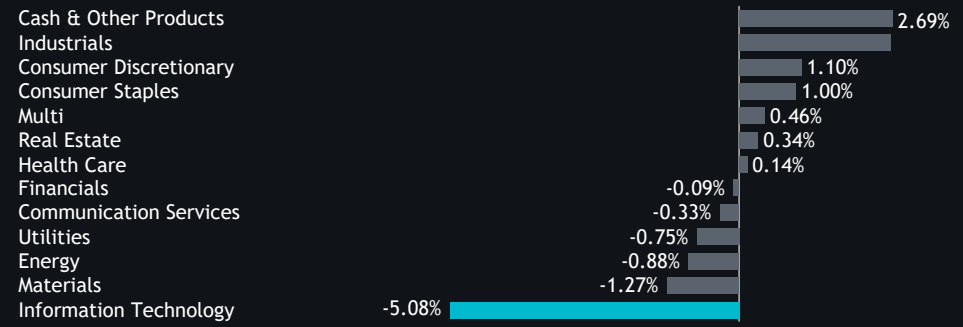
D Average fund weight by sector

Equally weighted, %



E Average weight vs EEM by sector

Overweights and underweights, %



Changes in Positioning and Fund Flows

Technology weights rose 2.81% over six months, more than any other sector (A), yet the sector saw the largest estimated outflows (B) and 117 more sellers than buyers (C). The rise in average weights are therefore mainly a reflection of price moves, with cumulative flows at a record low (D) and only 30% of funds overweight the index (E).

+2.81%
Change in average weight the largest of a..

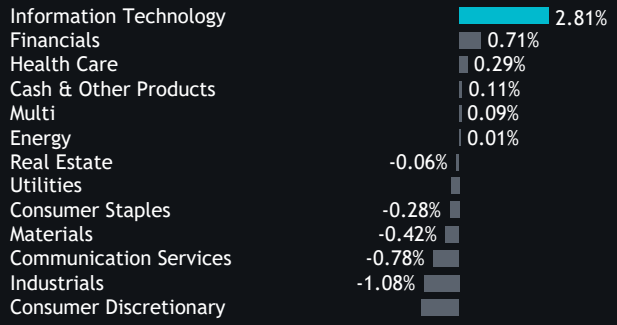
-$13.0bn
Estimated net fund flows the largest outfl..

-117
Buyers minus sellers 212 selling, 95 buying

-$35.8bn
Cumulative flows since 2008 a record low

A Change in average weight

By sector, six months, %



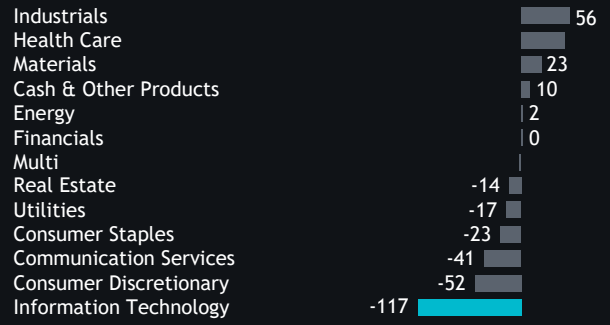
B Estimated net fund flows

By sector, six months, $



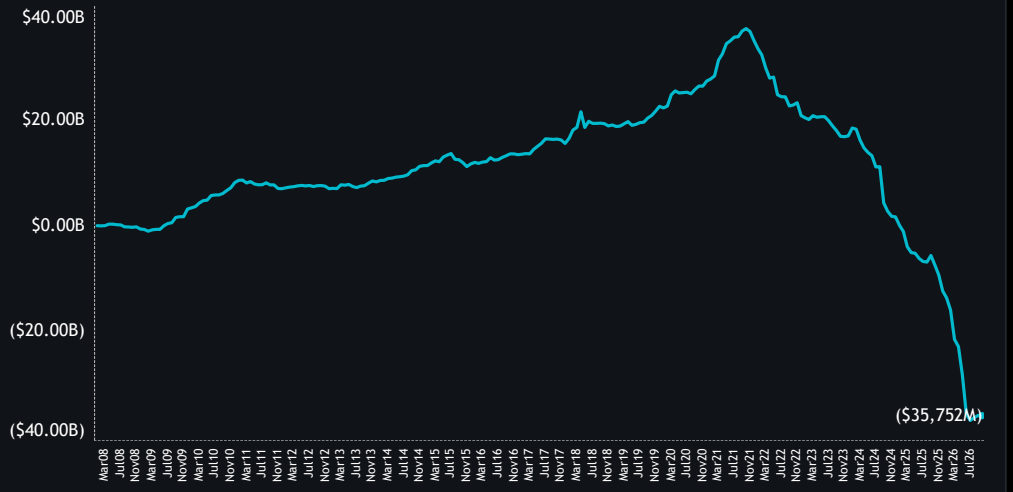
C Buyers minus sellers

By sector, number of funds



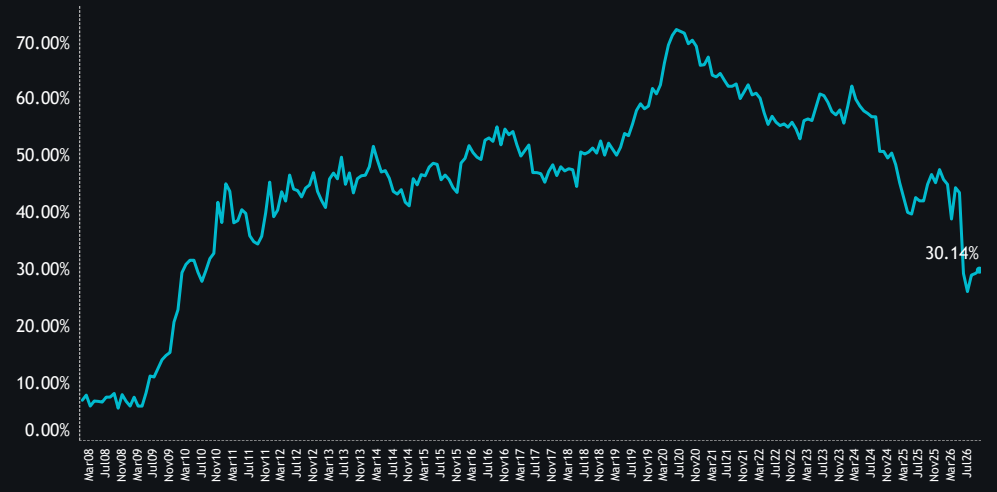
D Cumulative estimated fund flows

$, excludes market moves



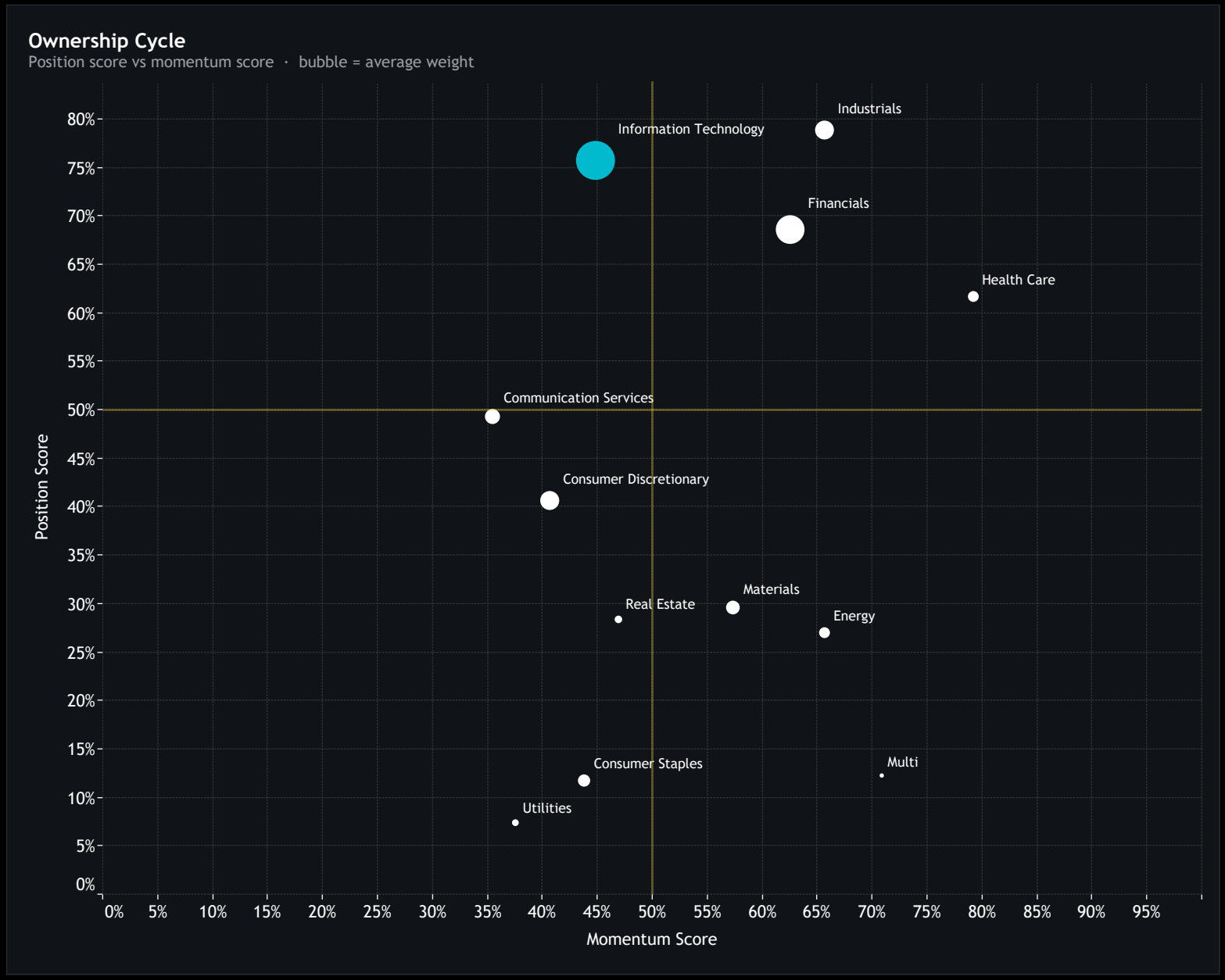
E Funds overweight

% of funds above the EEM weight



Sector Ownership Cycle

Technology sits in the upper-left quadrant: positioning is high relative to its own history, but momentum is below the middle of the range. Industrials, Financials and Health Care show the strongest momentum.



76%
Position score
high against its own history

45%
Momentum score
below the middle of the range

Fading
Quadrant
well owned, momentum falling

HOW TO READ IT

Up: today's weight, ownership and % overweight within their own history (100% = record high).

Across: this period's change plus net buyers, ranked against every sector (50% = middle of the range)...

Allocation by Fund Style and Benchmark Independence

Growth funds hold 39.7% and sit closest to the index, Value funds are the largest underweight (A). By benchmark independence, Low Active funds hold 41.1% and High Active funds 24.5% (B), a gap that has widened over time (D). Half of all funds hold between 33.8% and 42.7% (C).

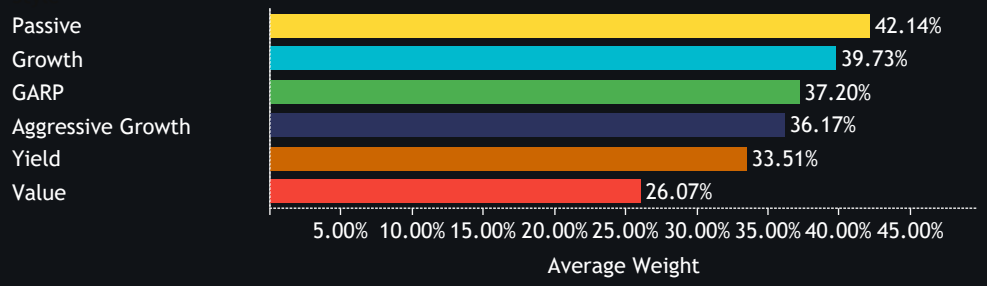
24.5%
High Active funds 17.7% below EEM

41.1%
Low Active funds close to EEM

39.5%
Median fund weight half hold 33.8% to 42.7%

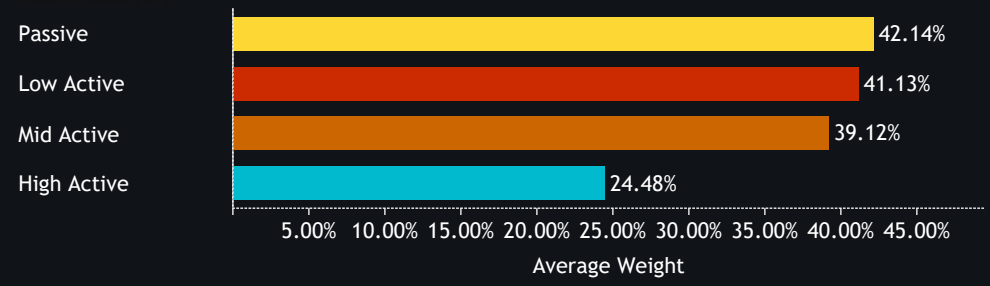
A Average weight by fund style

% · passive = EEM



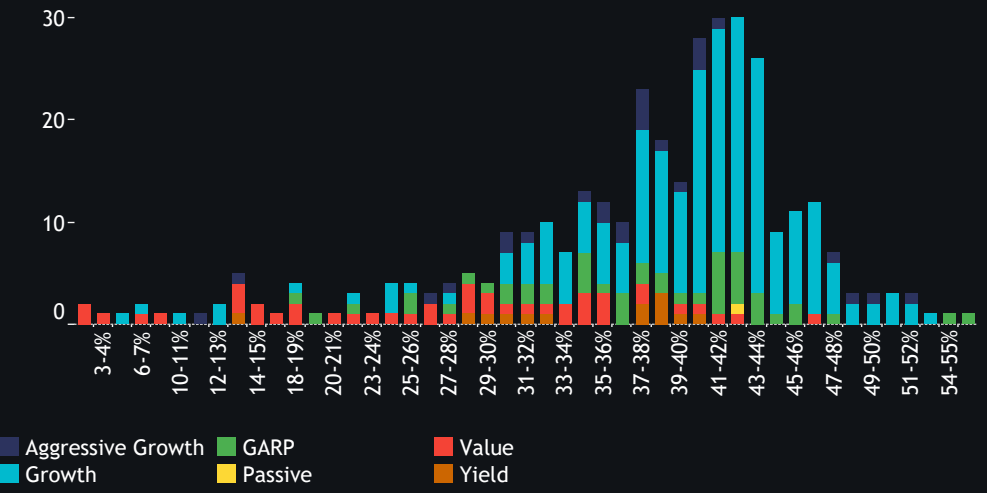
B Average weight by benchmark independence

% · passive = EEM



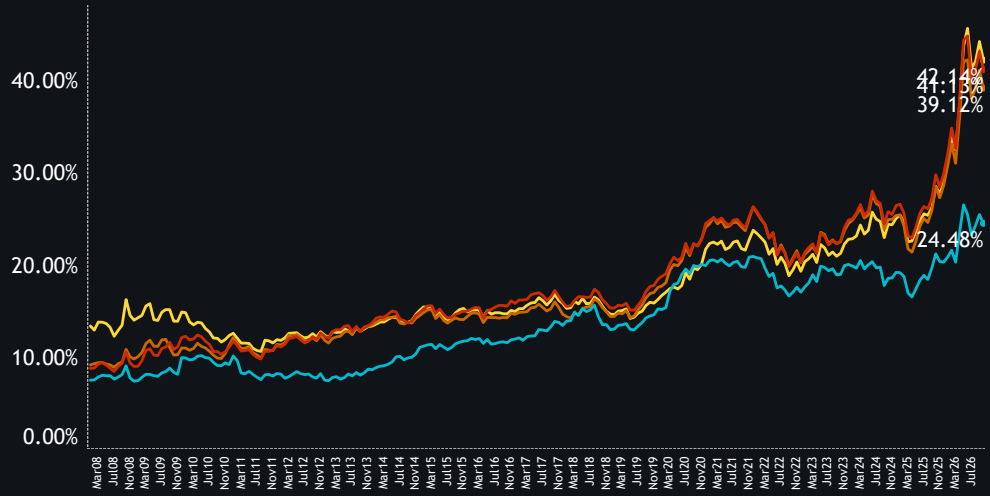
C Distribution of fund weights

Number of funds per weight band · colour = style



D Benchmark independence over time

Teal = High Active · yellow = passive (EEM)



Largest Fund Changes, Flows and Holders

287 funds increased their technology weight and 59 reduced it, mostly on price. Vaughan Nelson added 30.6% (A), with Arga (-17.1%) and Mobius (-11.6%) making the largest reductions (B). American Funds New World and GQG were the largest buyers by value (C).

287
Funds increasing weight against 59 reduci..

+30.6%
Vaughan Nelson EM the largest increase

-17.1%
Arga EM Value the largest reduction

+$1.76bn
American Funds New World the largest n..

A Largest increases in fund weight

Current weight and change, %

Fund Name	Style	New ..	Fund Wei..	Fund Wei..
Vaughan Nelson Emerging Markets Fund	Aggressive Growth		48.27%	30.63%
WCM Focused Emerging Markets Fund	Growth		43.46%	12.26%
Nuveen Emerging Markets Equity Fund	Aggressive Growth		49.68%	11.70%
Brookfield Invt. Funds - Oaktree Emerging Markets E..	Growth		37.74%	11.54%
BNY Mellon Emerging Markets Fund	Growth		42.92%	10.69%
JNL Multi-Manager Emerging Markets Equity Fund	Growth		32.63%	10.54%
Cullen Emerging Markets High Dividend Fund	Yield		30.21%	10.47%
William Blair Emerging Markets Small Cap Growth F..	Aggressive Growth		30.33%	10.46%
LUX IM - Global Emerging Equities	GARP		38.31%	10.29%
BNY Mellon Global Emerging Markets Fund	Growth		45.22%	10.18%

B Largest decreases in fund weight

Current weight and change, %

Fund Name	Style	Ne..	Fund Weight	Fund Weight Δ
Arga Emerging Markets Value Fund	Value		18.03%	-17.08%
Mobius SICAV - Emerging Markets Fund	Aggressive Growth		37.35%	-11.58%
Pictet Global Selection Fund - Global High..	Yield		13.18%	-8.21%
PACE International Emerging Markets Equi..	Growth		24.44%	-7.96%
Neuberger Emerging Markets Equity Fund	Value		1.58%	-7.61%
Wasatch Emerging Markets Small Cap Fund	Aggressive Growth		34.08%	-7.00%
Coronation Global Opportunities Fund - Gl..	Growth		24.13%	-6.90%
Harding Loevner Institutional Emerging Ma..	Growth		27.15%	-6.89%
Matthews Emerging Markets Small Compan..	Growth		25.45%	-6.54%
BNY Mellon Investment Fds. - Emerging Inc..	Yield		29.67%	-5.17%

C Largest fund inflows and outflows

Fund AUM invested and estimated flows, $

Fund Name	Style	New..	Fund AUM Invested, $	Est. Fund Flows, $
American Funds New World Fund	Growth		$26,372M	$1,762.8M
GQG Partners Emerging Markets Equity Fund	Growth		$2,599M	$1,138.2M
Eaton Vance Emerging & Frontier Countries Equity Fu..	Value		$1,131M	$335.1M
Nordea 2 - BetaPlus Enhanced EM. Sustainable Equity..	Growth		$1,779M	$288.2M
Heptagon Fd. Plc - Driehaus Emerging Mrkts Eq. Fund	Growth		$673M	$255.2M
Polar Capital Funds Plc - Emerging Market Stars Fund	Growth		$1,360M	($477.1M)
Arga Emerging Markets Value Fund	Value		$354M	($691.6M)
RBC Emerging Markets Equity Fund	Aggressiv..		$2,224M	($708.5M)
Baillie Gifford Emerging Markets Equities Fund	Growth		$3,263M	($816.3M)
JPMorgan Emerging Markets Equity Fund	Growth		$3,945M	($906.8M)
Nomura Emerging Markets Fund	GARP		$4,878M	($966.7M)

D Largest fund weights

Fund weight and number of stocks held

Fund Name	Style	Fund Weight	# Stocks Held
Macquarie Fd. Sol. - Emerging Markets Fund	GARP	57.43%	11
Nomura VIP Emerging Markets Series	GARP	54.22%	5
ClearBridge Smash Series EM Fund	Growth	53.00%	9
Columbia Emerging Markets Fund	Growth	51.68%	20
CT (Lux) III - Responsible Global Emerging ..	Aggressive Growth	51.40%	15
DNB Fund - Brighter Future	Growth	51.19%	23
DWS Invest - ESG Global Emerging Markets ..	Growth	50.72%	21
NEF - Emerging Market Equity	Growth	50.62%	31
DNB Global Emerging Markets	Growth	50.24%	21
Man Funds Plc - Systematic Emerging Mark..	Growth	49.76%	46

Country Positioning and Fund Flows

Taiwan accounts for most of the underweight at -3.88%, with South Korea at -1.41% (A). South Korea saw $11.3bn of outflows and 168 more sellers than buyers (B, C); China & HK and India saw net buying. Taiwan's underweight has widened since 2024 (D) and South Korea has moved to underweight (E).

-3.88%
Taiwan vs EEM most of the sector underweight

-$11.3bn
South Korea net flows 168 more sellers than buyers

+$1.5bn
China & HK net flows 42 more buyers than sellers

A Average weight vs EEM by Country

%



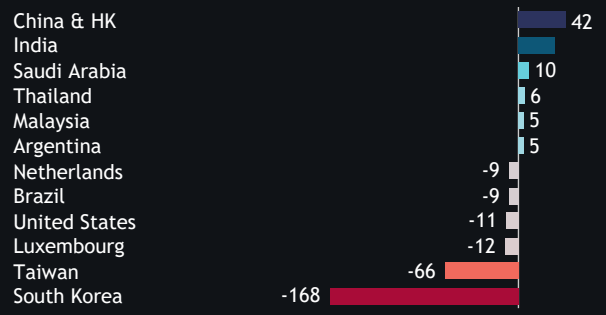
B Estimated net fund flows by Country

Six months, $



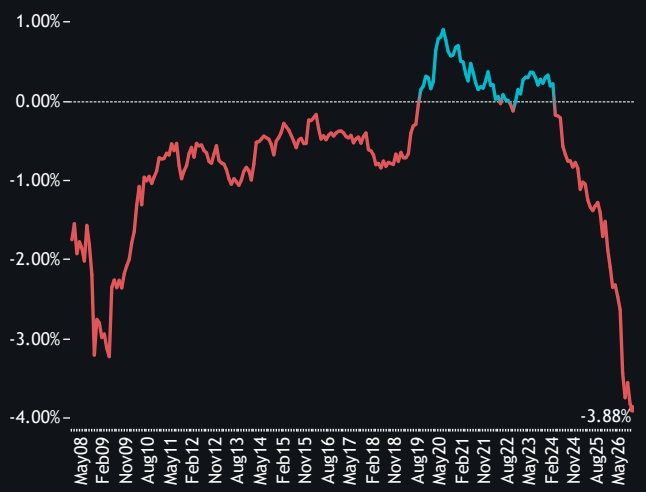
C Buyers minus sellers by Country

Number of funds, six months



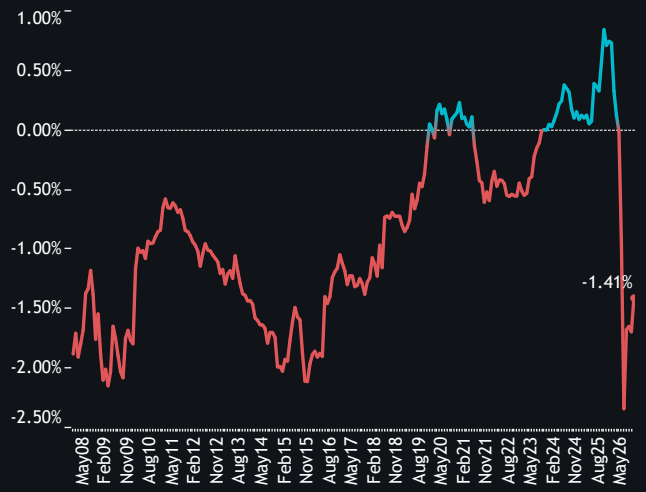
D Taiwan: average weight vs EEM

Monthly since 2008, %



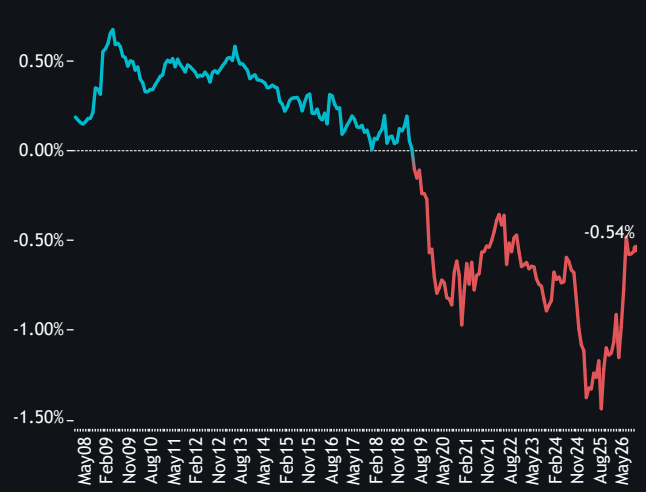
E South Korea: average weight vs EEM

Monthly since 2008, %



F China & HK: average weight vs EEM

Monthly since 2008, %



Stock Ownership and Benchmark Positioning

TSMC is held by 92% of active EM funds (A). At 15.9% of the benchmark, it exceeds the 10% UCITS single-stock limit, so the 5.30% underweight is structural rather than a call on the stock for over half the funds in our analysis. Excluding TSMC, funds are 0.22% overweight; the largest overweights are Samsung Pfd, MediaTek and ASE (C).

92.5%
Funds invested in TSMC the most widely held stock

-5.30%
TSMC vs EEM driven by the 10% UCITS limit

+0.58%
Samsung Electronics Pfd vs EEM the largest stock overweight

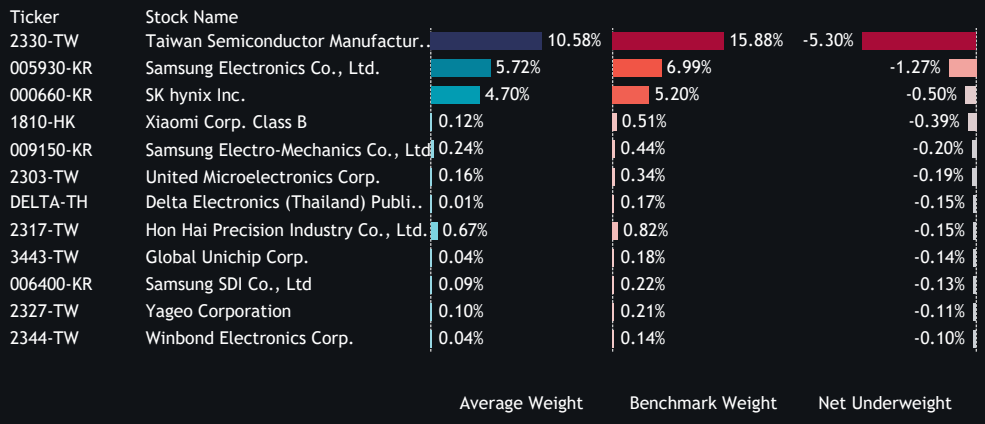
A Most widely held stocks

Ranked by % of funds invested

Ticker	Stock Name	Sector	Funds Invested %	Average Weight %	Average Weight vs Bmark	Fund AUM $
2330-TW	Taiwan Semiconductor Manufacturing Co., ..	Information Technology	92.46%	10.58%	-5.30%	$72,857M
000660-KR	SK hynix Inc.	Information Technology	84.35%	4.70%	-0.50%	$29,296M
005930-KR	Samsung Electronics Co., Ltd.	Information Technology	82.61%	5.72%	-1.27%	$34,738M
2454-TW	MediaTek Inc	Information Technology	75.65%	1.98%	0.44%	$11,446M
2308-TW	Delta Electronics, Inc.	Information Technology	62.61%	0.85%	0.14%	$4,493M
3711-TW	ASE Technology Holding Co., Ltd.	Information Technology	50.72%	0.89%	0.28%	$5,151M
2345-TW	Accton Technology Corp.	Information Technology	44.93%	0.44%	0.22%	$1,968M
2317-TW	Hon Hai Precision Industry Co., Ltd.	Information Technology	43.77%	0.67%	-0.15%	$3,482M
005935-KR	Samsung Electronics Co Ltd Pfd Non-Voting	Information Technology	42.90%	1.51%	0.58%	$7,663M
500209-IN	Infosys Limited	Information Technology	38.84%	0.31%	-0.03%	$1,687M

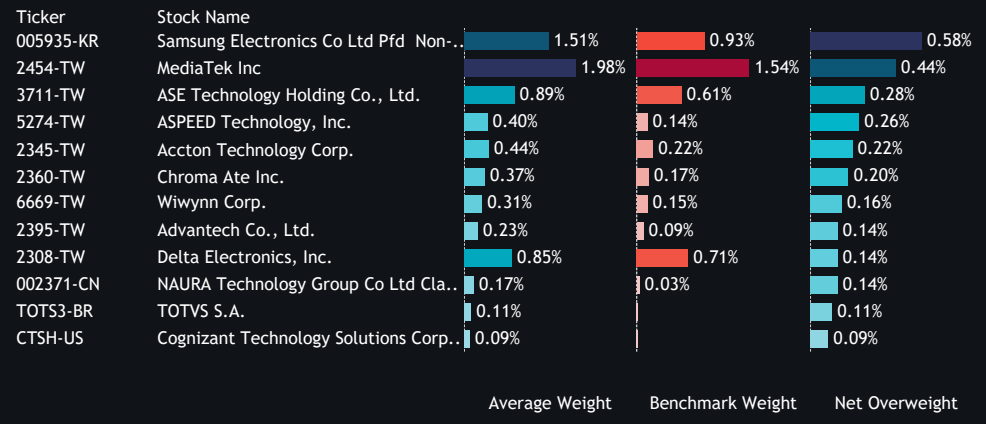
B Largest stock underweights

Average, EEM and net weight, %



C Largest stock overweights

Average, EEM and net weight, %



Stock Rotation and Fund Flows

The largest outflows were in SK hynix (-$7.6bn), Samsung Electronics (-$3.2bn) and TSMC (-$1.3bn), while Hon Hai, Lenovo and Infosys saw the largest inflows (A). MediaTek's ownership rose 10.4% (B, D), while XP, Infosys and Kakao lost the most holders (C, E).

-$7.6bn
SK hynix net flows the largest outflow

+$846m
Hon Hai net flows the largest inflow

+10.4%
MediaTek funds invested now 75.7% of funds

A Estimated net fund flows by stock

Largest inflows and outflows, six months, $



B Largest increases in ownership

Change in % of funds invested, six months

Stock Name	Funds Invested % Δ	Fund Flows, $
MediaTek Inc	10.43%	($735M)
Lenovo Group Limited	9.28%	$506M
Unimicron Technology Corp.	8.41%	$68M
Advantech Co., Ltd.	8.12%	$158M
Samsung Electro-Mechanics Co., Ltd	7.83%	($494M)
Chroma Ate Inc.	6.96%	$357M
Winbond Electronics Corp.	6.38%	$91M
Advanced Micro-Fabrication Equipm..	6.38%	($13M)
Nanya Technology Corporation	6.09%	$283M
Zhongji Innolight Co., Ltd. Class A	5.80%	$80M

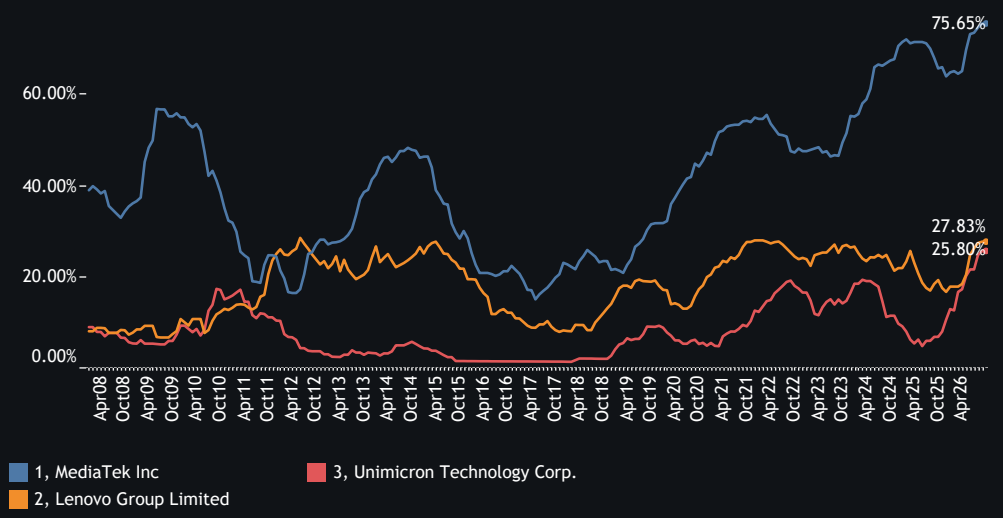
C Largest decreases in ownership

Change in % of funds invested, six months

Stock Name	Funds Invested % Δ	Fund Flows, $
XP Inc. Class A	-4.64%	($320M)
Infosys Limited	-3.77%	$456M
Kakao Corp.	-3.48%	($25M)
Kuaishou Technology Class B	-3.48%	($27M)
InPost S.A.	-3.19%	($188M)
Meitu, Inc	-3.19%	($12M)
Powertech Technology Inc.	-2.90%	($80M)
Jentech Precision Industrial Co., Ltd	-2.61%	($161M)
LG Display Co., Ltd	-2.61%	$15M
Persistent Systems Limited	-2.61%	$0M

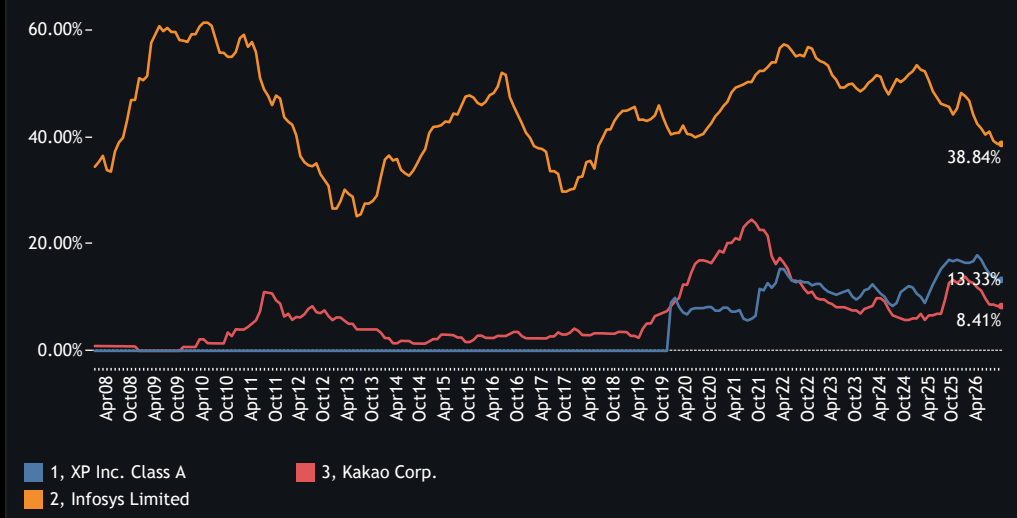
D Largest increases in ownership

% of funds invested over time



E Largest decreases in ownership

% of funds invested over time



Stock Ownership Trends

SK hynix has risen from under 10% of funds in 2008 to 84% today (A). MediaTek, Delta and ASE are each held by more than half of all funds (B), while Asia Vital, ASPEED and Wiwynn have risen from almost nothing before 2020 to around 30% (C). Genius Electronic Optical and Global Unichip are at record ownership but have yet to surpass 20% fund ownership (D).

84.4%
SK hynix funds invested from under 10% i..

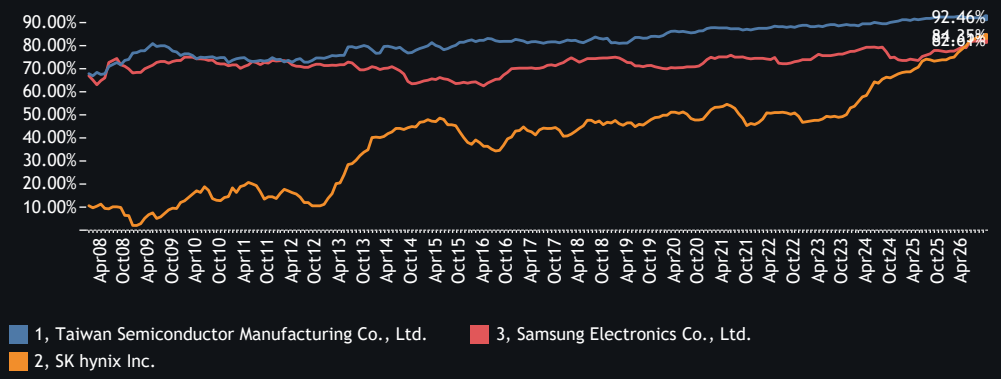
75.7%
MediaTek funds invested a record high

31.9%
Asia Vital funds invested near zero before..

14.5%
Genius Electronic Optical a record high

A Most widely held stocks (1 to 3)

% of funds invested



1, Taiwan Semiconductor Manufacturing Co., Ltd.
3, Samsung Electronics Co., Ltd.
2, SK hynix Inc.

B Most widely held stocks (4 to 6)

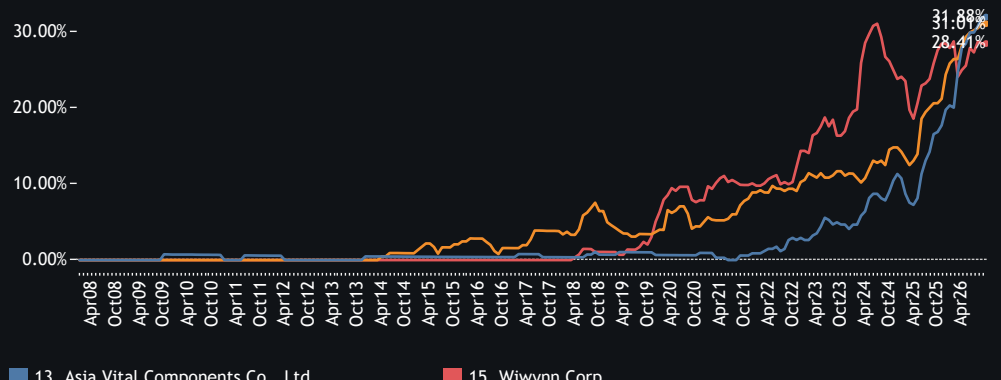
% of funds invested



4, MediaTek Inc
6, ASE Technology Holding Co., Ltd.
5, Delta Electronics, Inc.

C Most widely held stocks (13 to 15)

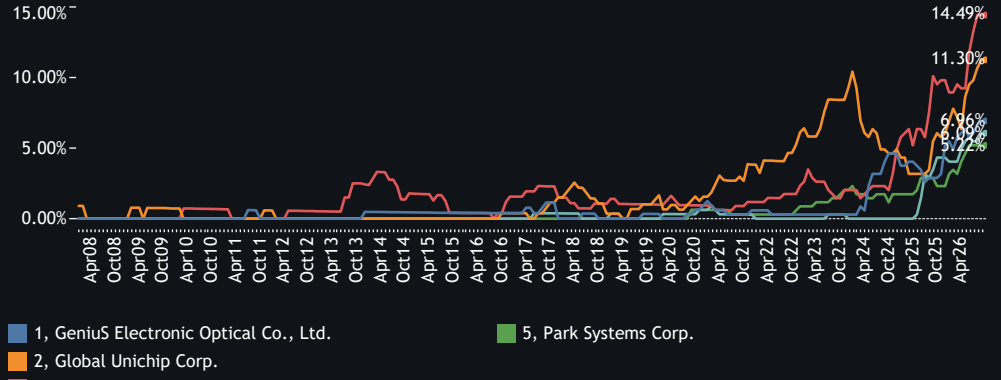
% of funds invested



13, Asia Vital Components Co., Ltd.
15, Wiwynn Corp.
14, ASPEED Technology, Inc.

D Record ownership

Held by 5% to 20% of funds, % of funds invested



1, GeniuS Electronic Optical Co., Ltd.
2, Global Unichip Corp.
3, King Slide Works Co., Ltd.
4, Marketech International Corp.
5, Park Systems Corp.

Summary and Conclusions

POSITIONING
Information Technology is the largest allocation in active GEM portfolios at 37.1%, against 42.2% in EEM. The -5.08% underweight is almost entirely TSMC: at 15.9% of the index, it sits above the 10% single-stock limit that applies to UCITS funds.

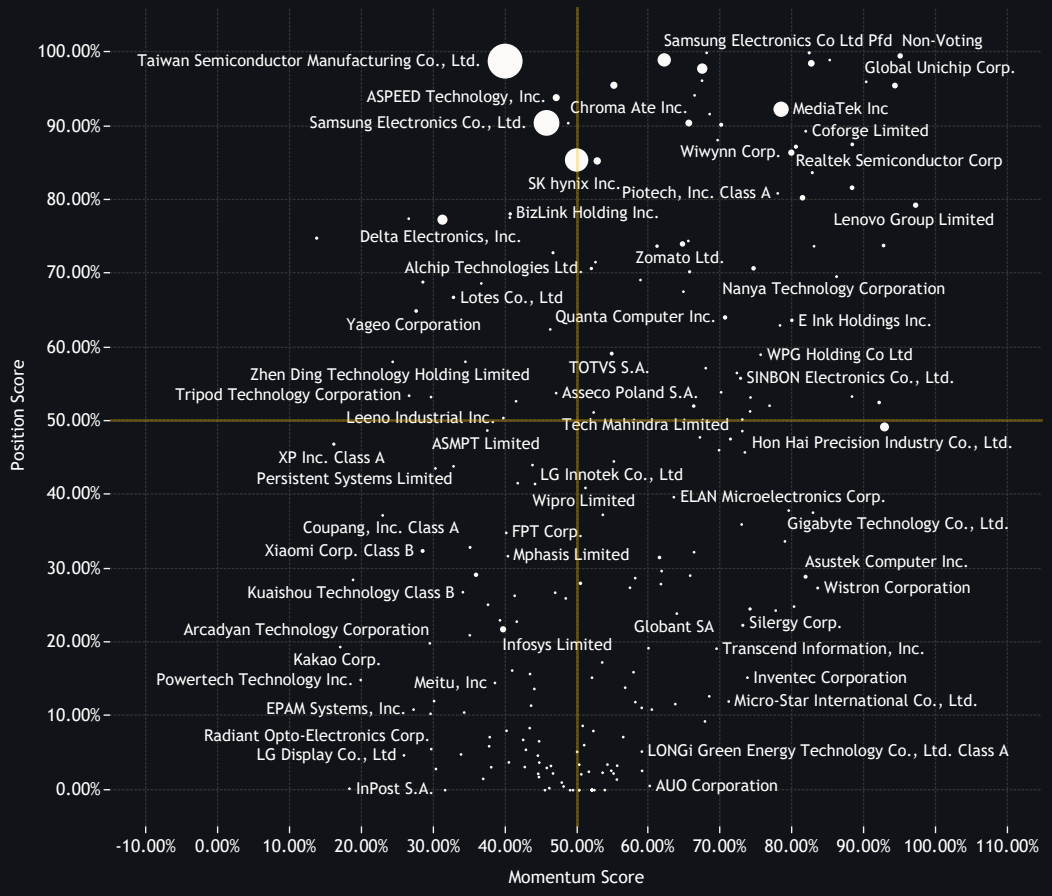
A STRUCTURAL GAP
Excluding TSMC, funds are 0.22% overweight the rest of the sector. The headline underweight is a consequence of fund rules, not necessarily a negative view on the sector, and it will widen whenever TSMC outperforms.

ACTIVITY
The active decisions sit below TSMC. Estimated outflows of $13.0bn were led by South Korea, with SK hynix (-$7.6bn) and Samsung Electronics (-$3.2bn) the largest sales, while Hon Hai, Lenovo and Infosys drew the most buying.

BREADTH
Ownership continues to broaden. MediaTek, Delta, ASE and the AI server supply chain have moved into the core of GEM portfolios, and Genius Electronic Optical and Global Unichip are at record ownership yet sit under the radar for most funds.

Stock Ownership Cycle

Position score vs momentum score · bubble = average weight



CONCLUSION

Information Technology has become the defining allocation in emerging markets. From under 10% of the average active GEM fund in 2008, it has grown to 37.1%, 1.8 times Financials, the second-largest sector. The headline underweight is a structural limit on a single stock, not a lack of conviction: beneath it, managers are fully invested in the sector and are making their calls on Korea, memory and the AI supply chain.