

NAVIGATING GLOBAL MARKET SHIFTS



Alquity

The presenters



Mike Sell

*The impact on
Emerging Markets*



Marnie Aragon-Uy

*Navigating volatility in
global equities*

An aerial photograph of a dense urban area, likely in an emerging market. The image shows a mix of modern high-rise buildings and older, more densely packed structures. A prominent feature is a basketball court with a blue and green court surface and a red border, situated in a courtyard-like area. The court is surrounded by various buildings, some with flat roofs and others with more complex architectural designs. The overall scene depicts a vibrant, developing city environment.

THE IMPACT ON EMERGING MARKETS

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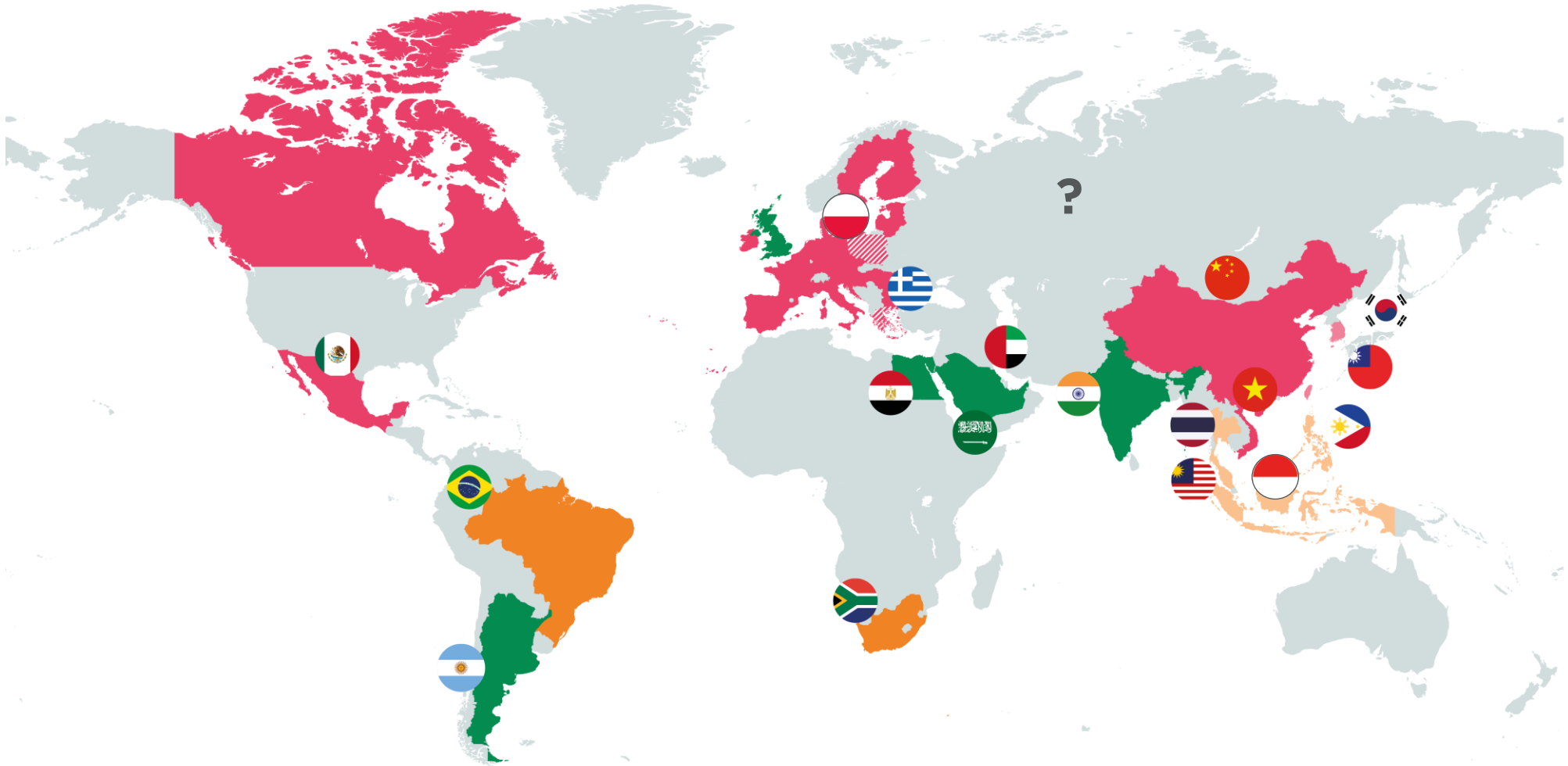
Our differentiation

- **69/82** names are **domestically** focused
- **36/82** companies are **out-of-index**
- Diversified across **20 countries**

	Dividend Yield	P/E ratio 2024	P/E ratio 2025	ROE 2024	ROE 2025	Annual EPS growth (5yr avg)
Fund	2.1%	24.9x	21.7x	21.3%	21.6%	8.2%
Index	2.4%	27.0x	25.9x	17.3%	18.4%	7.8%

Domestic growth, non-traditional markets and AI/robotics beneficiaries drive our portfolio

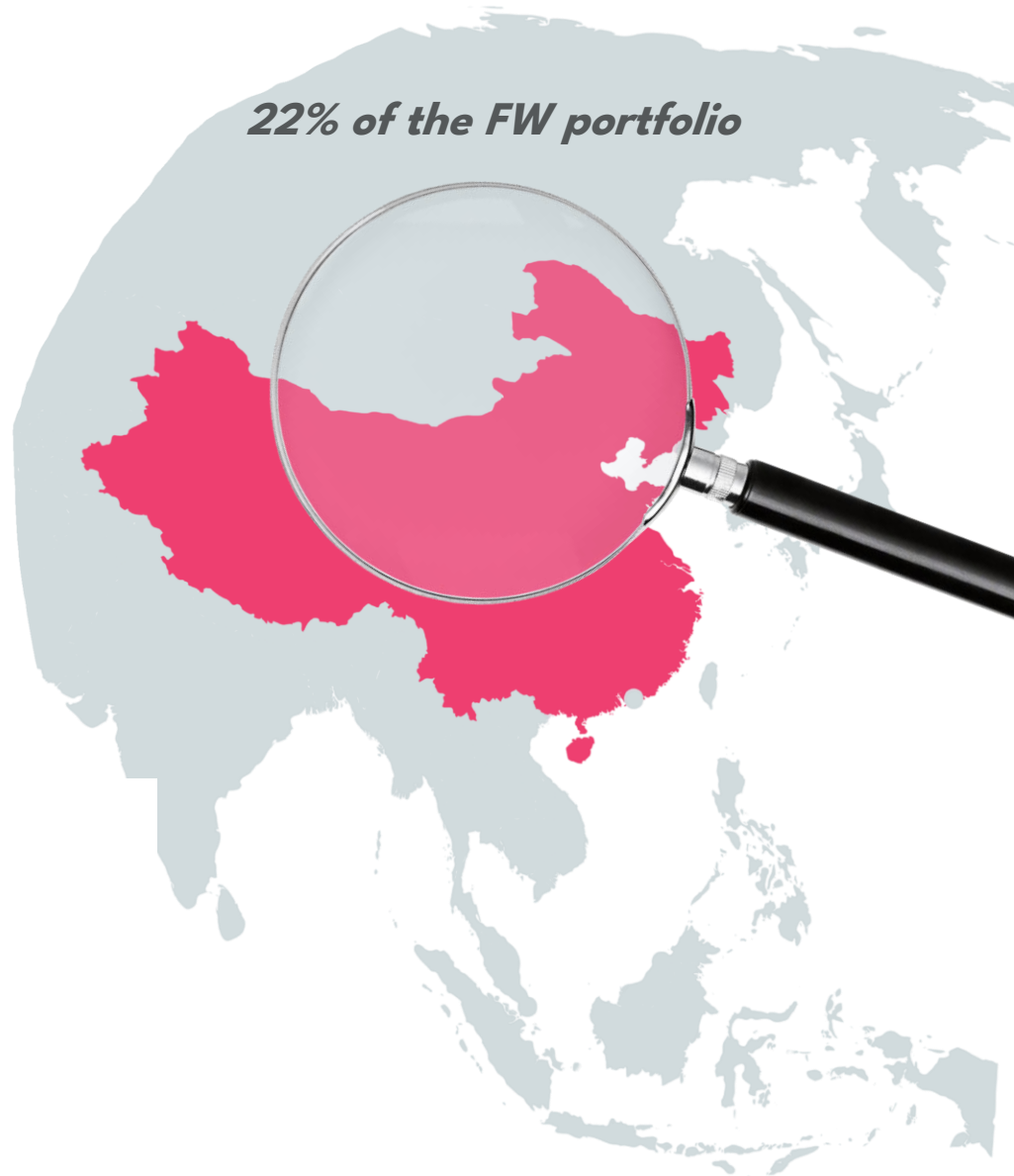
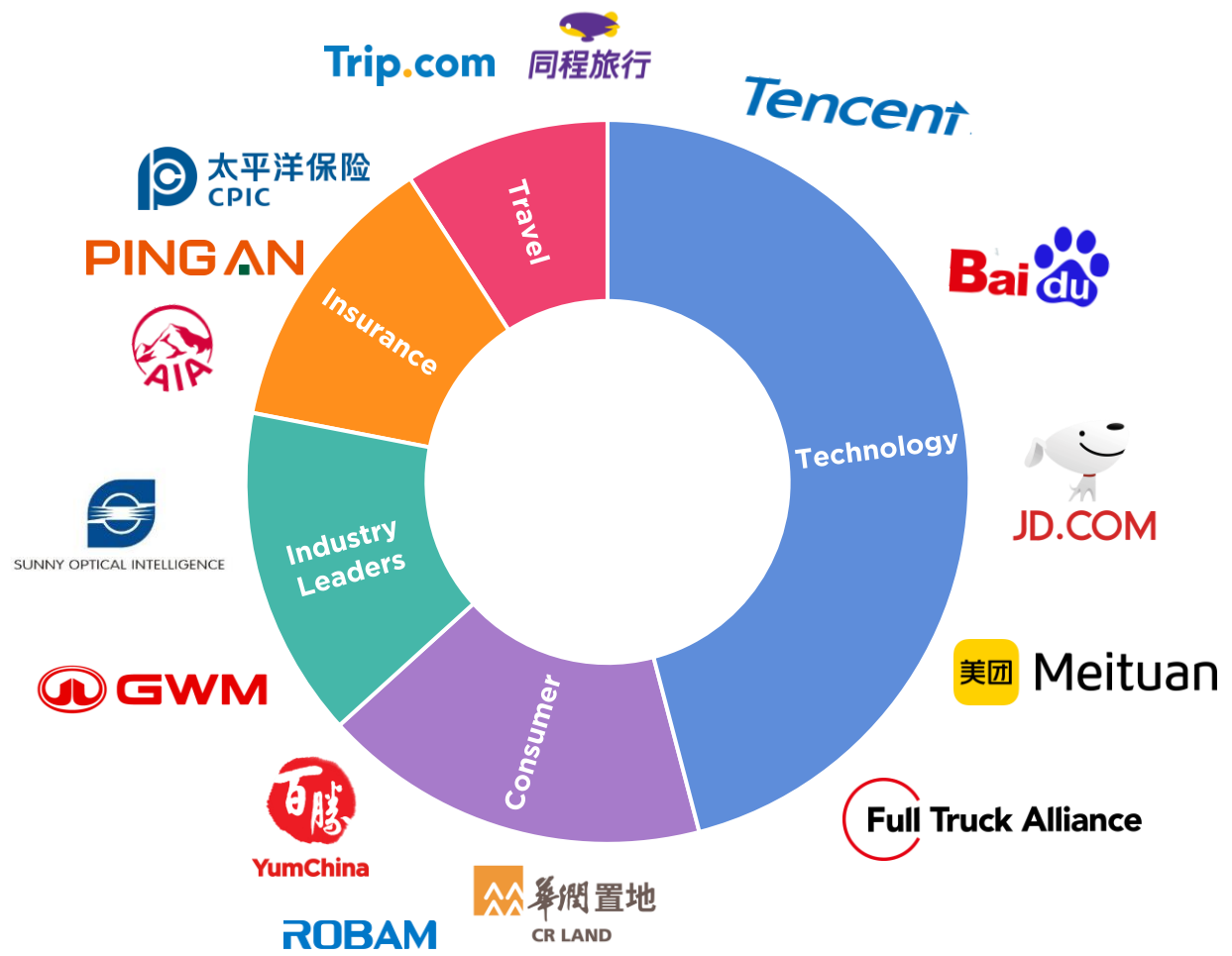
Trump's impact on the world



Source: Alquity, as of February 2025

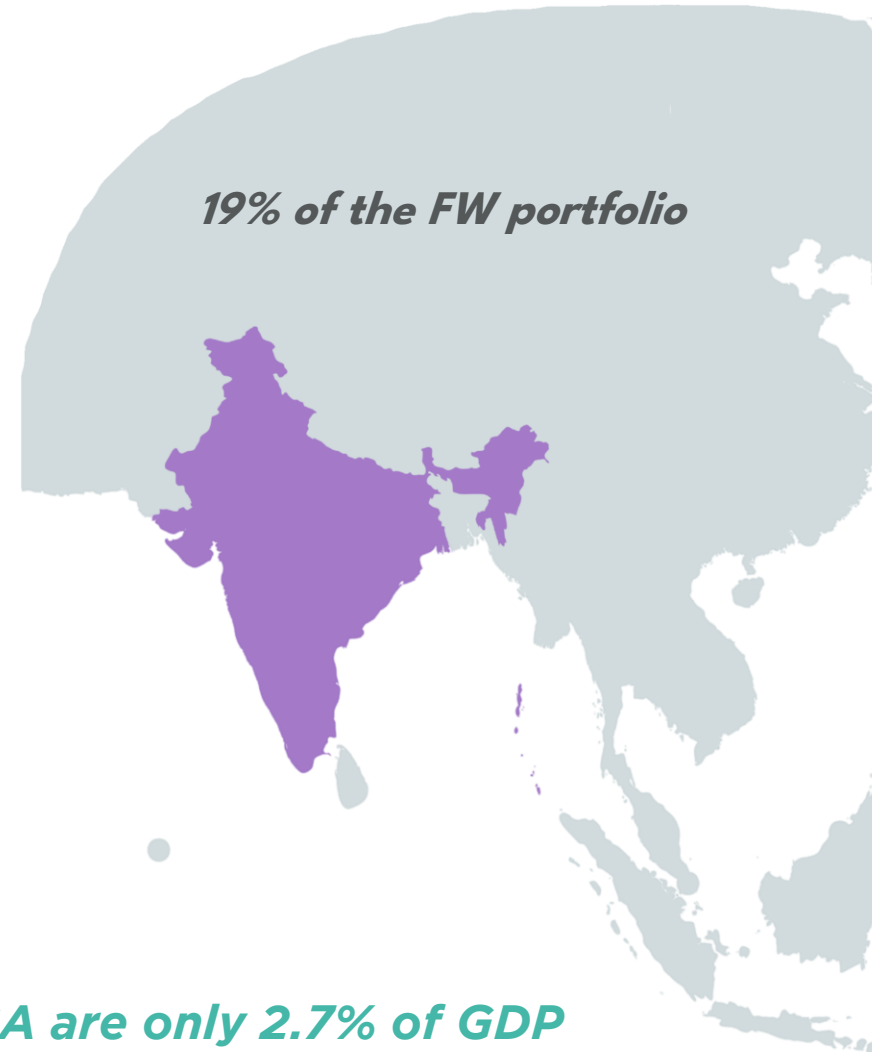
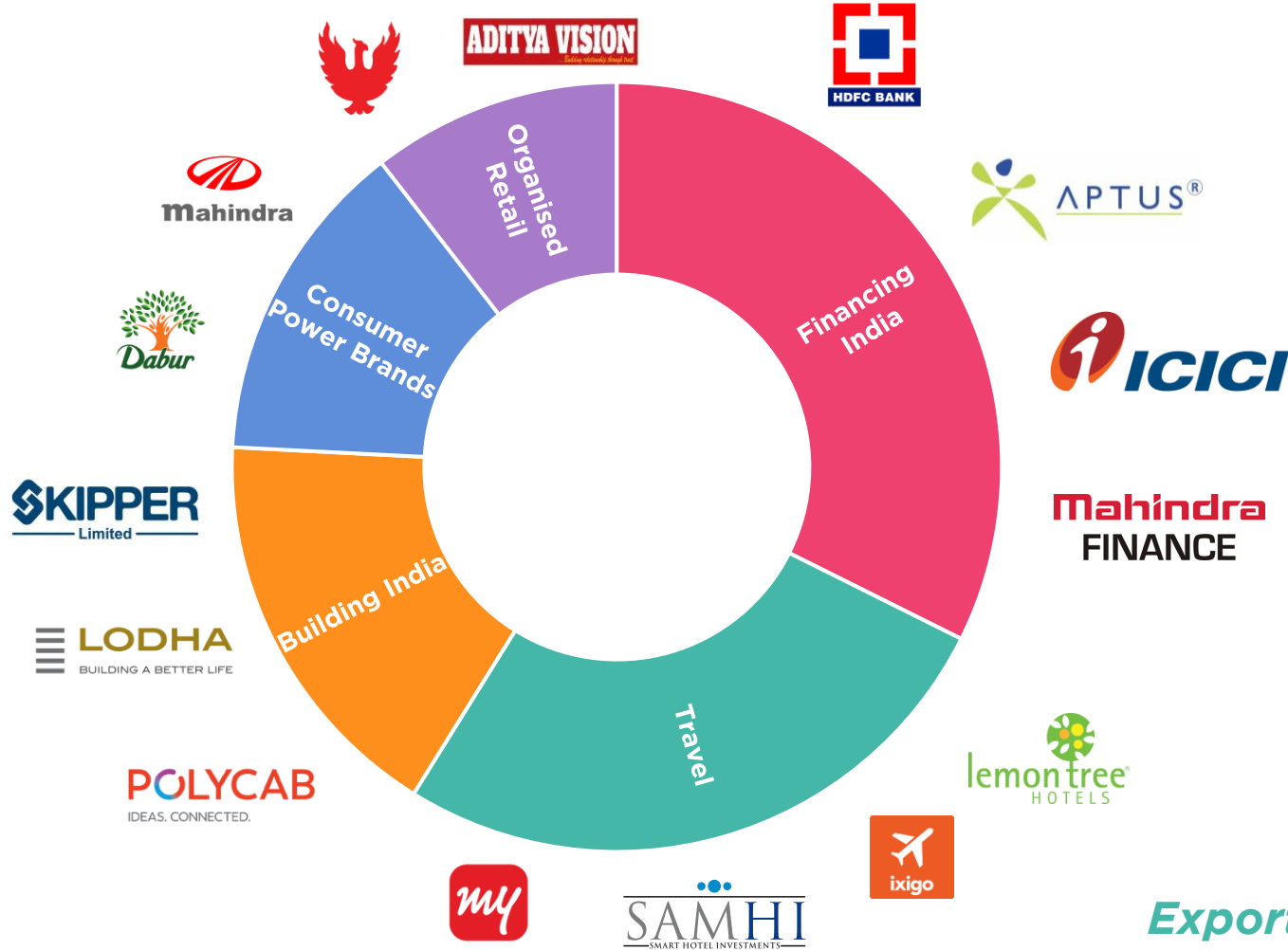


China – we can find great companies



Source: Alquity, as of 28th February 2025. The companies mentioned and discussed above are provided for information only, are subject to change and are not a recommendation to buy them.

India – increasingly attractive in a Trumpian World



Exports to the USA are only 2.7% of GDP

Sources: Alquity, as of 28th February 2025, IMF as of 2024. The companies mentioned and discussed above are provided for information only, are subject to change and are not a recommendation to buy them.

Company example: Ixigo

Market Cap (USD): 658mn

Out of index

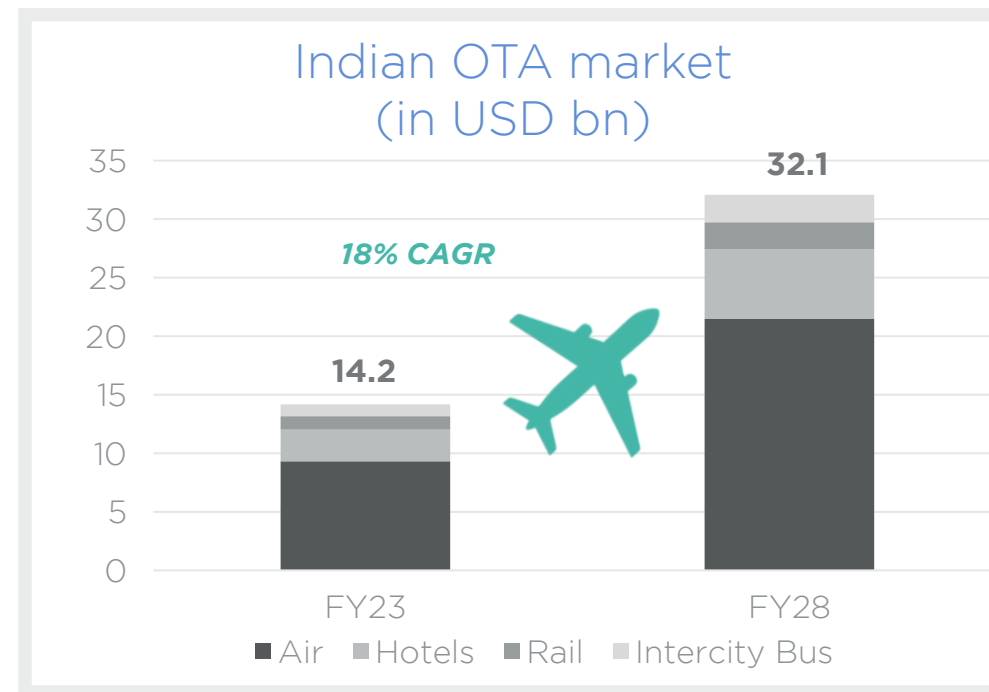
Listed: 18th June 2024



Leading Online Travel Agency for next billion users

INVESTMENT CASE

- **Secular growth** in domestic travel
- **Second largest market share** in India, with a focus on trains, buses and on smaller cities
- **480mn** annual active users
- **Differentiated features** versus competitors such as price lock and refund policy
- **ESG** rating: **C**



Company example: Budimex

Market Cap (USD): 3,331 mn
Out of index



Local champion

INVESTMENT CASE

- **Poland's largest construction group**, with an established track record of successful large-scale projects
- Benefits from our theme of **favourable cyclical positioning** due to the **large influx of EU funding into Poland** (cohesion fund, CEF programme, recovery fund)
- **48% upside** in our base case DCF forecast
- **Option value** from reconstruction of **Ukraine**
- **ESG** rating **B**

budimex



The power of the domestic consumer



BAKERY



- Largest Egyptian bakery, catering to a **population of 114m**
- **Leading market share** in most market segments (cakes, croissants, etc.) and has **significant pricing power**
- **Beginning to expand regionally** (e.g. Morocco)
- **ESG** rating: **B**
- Market cap: \$410m (**out of index**)



RETAIL



- **Leading discount supermarket** in South Africa, with approximately **500 stores***
- Entirely driven by **domestic** factors
- IPO'd in November 2024
- **ESG** rating: **C**
- Market cap: \$1,660mn (**out of index**)

2025 - underappreciated good macroeconomic news...

... *in contrast to daily Trump headlines*

- India, Thailand, Indonesia and South Africa **have cut interest rates** already in 2025
- **Economic reform** is finally yielding results in **Argentina and Egypt**
- Q4 GDP growth: **5% in Indonesia**, **5.2% in the Philippines**, **4.4% in Saudi Arabia** and **3.2% in Poland**
- **Greek unemployment** reaching a **15-year low** of 8.7% in January 2025
- **China** targeting a further year of **about 5% GDP growth aided by increased fiscal spending**
- **Indian growth accelerating to 6.2%** in Q4 from the post-election lull of 5.4%, before recent fiscal and monetary stimulus has taken effect
- **Inflation well controlled across most of Emerging Markets:** India, ASEAN, Korea, Taiwan, Greece, Poland, Gulf States, South Africa...
- **Demand for AI is only in the early stages** (Korea, Taiwan, China)

But are Emerging Markets doomed to disappoint?

(in USD)

	Eurostoxx	Nasdaq	S&P 500	FTSE	Nikkei 225	EM Index
3y performance	71.9%	45.4%	43.8%	37.3%	21.6%	10.3%

EM to DM index trailing P/B ratio

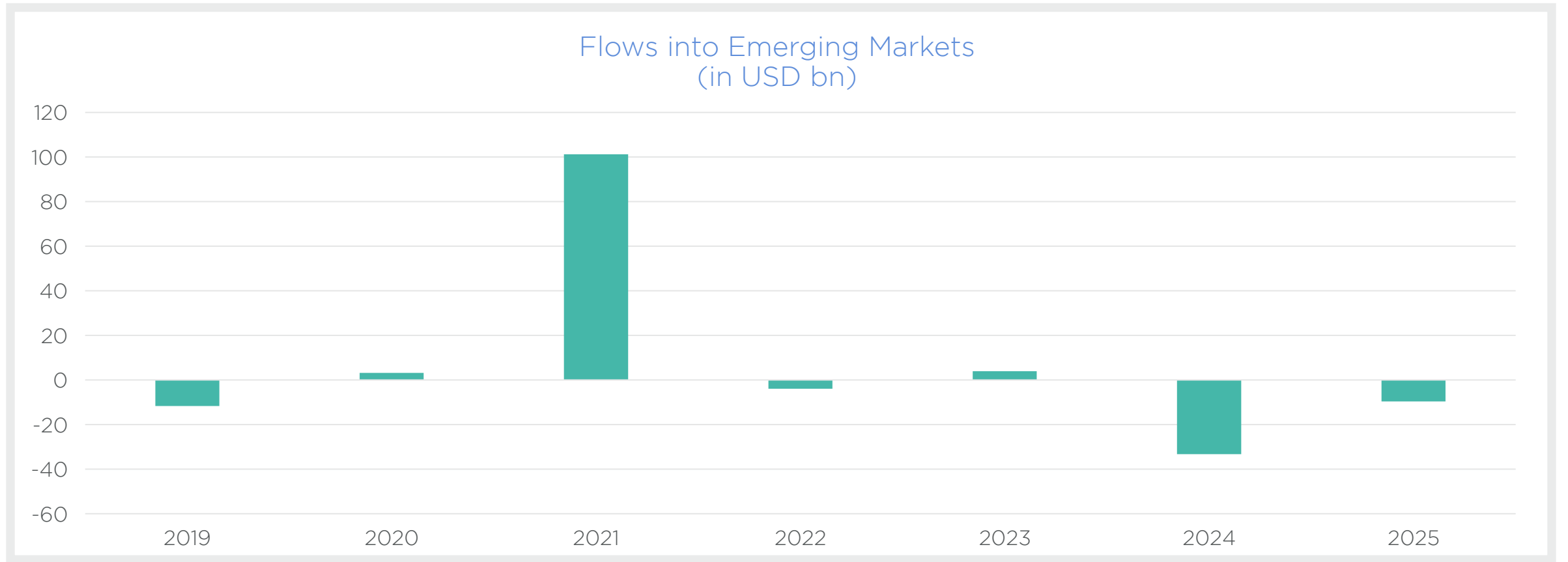


Source: Alquity, Bloomberg, 7th March 2025. The valuations presented in this slide are for informational purposes only and should not be solely relied upon for investment or financial decisions. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, expressed or implied is made regarding future performance



We are certainly unloved, but sentiment turns quickly

Time to be contrarian?



Alquity's solid track record

A long-term perspective, combined with in-depth knowledge delivers results

	1 year	3 years	Since 31/08/2020	Standard Deviation (3Y)
Alquity Future World Fund	11.8%	-3.3%	10.7%	17.4%
EM Index	10.1%	1.4%	10.8%	17.7%
EM ETF	9.9%	0.2%	7.3%	-
Percentile	16	54	32	-

- A greater focus on structural themes and domestic growth
- We look for quality growth companies across Emerging Markets, regardless of capitalisation and index inclusion
- A portfolio with a lower environmental footprint
- ESG is a critical risk mitigation tool

Source: Alquity, Bloomberg, Lipper, as of 28th February 2025. The performance shown is based on our I class charging structure with an OCF of 1%. Past simulated performance is neither an indicator nor a guarantee of future returns. Actual results will vary from the analysis. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, expressed or implied is made regarding future performance. Performance data from the iShares EM ETF. Returns may increase or decrease with FX fluctuations. The volatility displayed is gross and based on portfolio data, not specific to the NAV of the share class.



Conclusion

Sentiment is overly bearish on Emerging Markets and India

We focus on domestic structural growth (plus AI beneficiaries in GEM/Asia)

Our portfolios are all highly differentiated and multi-cap

ESG is a critical risk mitigation tool, plus we deliver tangible impact

Our strategies have consistent track records

We are excited about the opportunities that Emerging Markets currently offer

THE GLOBAL IMPACT FUND: AN OVERVIEW



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Fund overview

A diversified, global equity strategy that seeks to outperform the relevant benchmark and peer groups by investing in companies that provide products or services that benefit society or produce them in a responsible manner



A flexible investment strategy that uses advanced data analysis and a systematic approach to capture alpha opportunities while managing risks. It emphasizes adaptability, quick decision-making and responsiveness to market changes



The Fund invests in companies with at least 5% in sustainable revenues. Typically, 50% of the portfolio is invested in companies with more than 20% in sustainable revenues



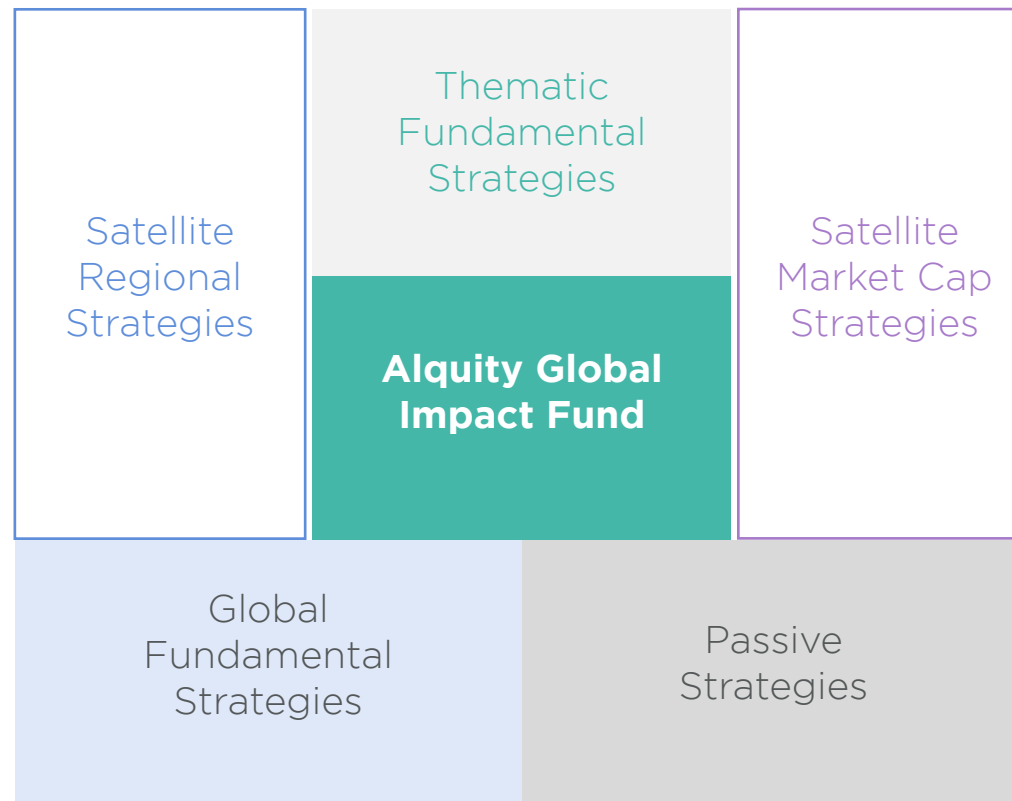
10% of the fund fees are donated to social development projects to help the most disadvantaged in society to participate in sustainable and just economic growth

Core investment approach

- **Invests across the growth-value spectrum**, using a systematic approach that ensures the portfolio captures evolving market themes and opportunities
- Unlike the Fund's peers that may employ a fundamental thematic approach to investing:
 - The Fund **doesn't stick to a prescribed investment style** or strategy
 - It aims for **consistency of returns** vs the benchmark, and does not tolerate long periods of underperformance until a "style" works
 - It **moves away from long periodic performance reviews** (e.g. annually) and instead, integrates daily assessments of performance and risk
 - It uses **advanced statistical analysis** to analyse market data and stay ahead of trends
 - It aims to **avoid human biases** including overconfidence, herd mentality and recency bias which can exaggerate performance on both the upside and downside

Portfolio fit: A complimentary and differentiated global sustainable fund...

... at the heart of your Global equity allocation



An uncompromising focus on returns

	1Y	2Y	3Y	Since Inception (16/03/2021)
Alquity Global Impact Fund (net)	7.4%	30.9%	18.6%	21.8%
Peer Median	8.9%	28.7%	17.3%	18.0%
Article 9 Peer Median	3.8%	16.1%	5.9%	4.1%
Alquity Percentile (peers)	60	44	46	42
Alquity Percentile (Art. 9 peers)	29	20	22	19

	Sharpe Ratio	Tracking Error vs ACWI	Maximum Drawdown
Alquity Global Impact Fund (net)	0.18	3.0%	-22.1%
Peer Median	0.16	6.3%	-22.7%
Article 9 Peer Median	-0.01	7.5%	-23.9%

A higher Sharpe Ratio means better risk-adjusted returns, showcasing the Global Impact Fund's low volatility performance against its peers

Closer Tracking error to the ACWI and mitigated downside risk

GLOBAL EQUITY MARKET REVIEW

Alquity

Post-Trump Election: a strong start in markets... But troubles start to surface

- The spectre of Trump's tariffs and a pro-growth environment in the US lead to **Growth and Small Cap stocks outperforming**
- **US broadly outperforms**, and other regions especially China/Emerging Markets Equities, are hit
- By December, a hawkish Fed and **inflation concerns** lead to steep declines across markets. **China adopts a pro-growth tone** in high-level economic meetings. **Europe** is plagued by **political uncertainty**
- **US breadth narrows**, with Small Cap giving back almost all gains from the Trump rally

	November 2024	December 2024
Growth	5.3%	0.4%
Value	3.9%	-5.7%
DM Equities	4.6%	-2.6%
EM Equities	-3.6%	-0.1%
Europe	-1.7%	-2.4%
Small Cap Equities	6.5%	-6.0%
Asia Pac ex Japan	-2.4%	-1.2%
Japan	0.7%	-0.3%
US	6.2%	-2.6%
Magnificent 7	9.4%	6.3%
China	-4.4%	2.7%

US exceptionalism starts to lose its shine... And yields fall

- **DeepSeek hits AI plays.** Increasing **uncertainty about Trump's policy** agenda weighs on corporate and consumer sentiment. **Concerns on growth** start to re-emerge
- A **rotation from Growth** supports Value. DM Equities outperform, mainly due to Europe's lack of AI names and **positive macro data**. **European financials outperform** with superior ROE's than their US counterparts
- Excitement about DeepSeek and high-profile meetings between Xi and business leaders. **Chinese Tech outperforms**
- Despite falling yields, **Small Cap underperforms**

	January 2025	February 2025
Growth	2.6%	-2.8%
Value	4.5%	1.6%
DM Equities	3.5%	-0.7%
EM Equities	1.8%	0.5%
Europe	6.9%	3.7%
Small Cap Equities	3.5%	-3.3%
Asia Pac ex Japan	1.3%	0.1%
Japan	1.6%	-1.4%
US	3.0%	-1.6%
Magnificent 7	2.5%	-8.7%
China	0.9%	11.8%

Europe and value rotation alleviate negative sentiment towards sustainability

- Sustainable stocks were hit early post the Trump Election. A rotation into Europe and Value has helped the Sustainable Development Index outperform the US
- European Financials with sustainable lending programs lead the outperformance, along with Consumer Staples and Healthcare

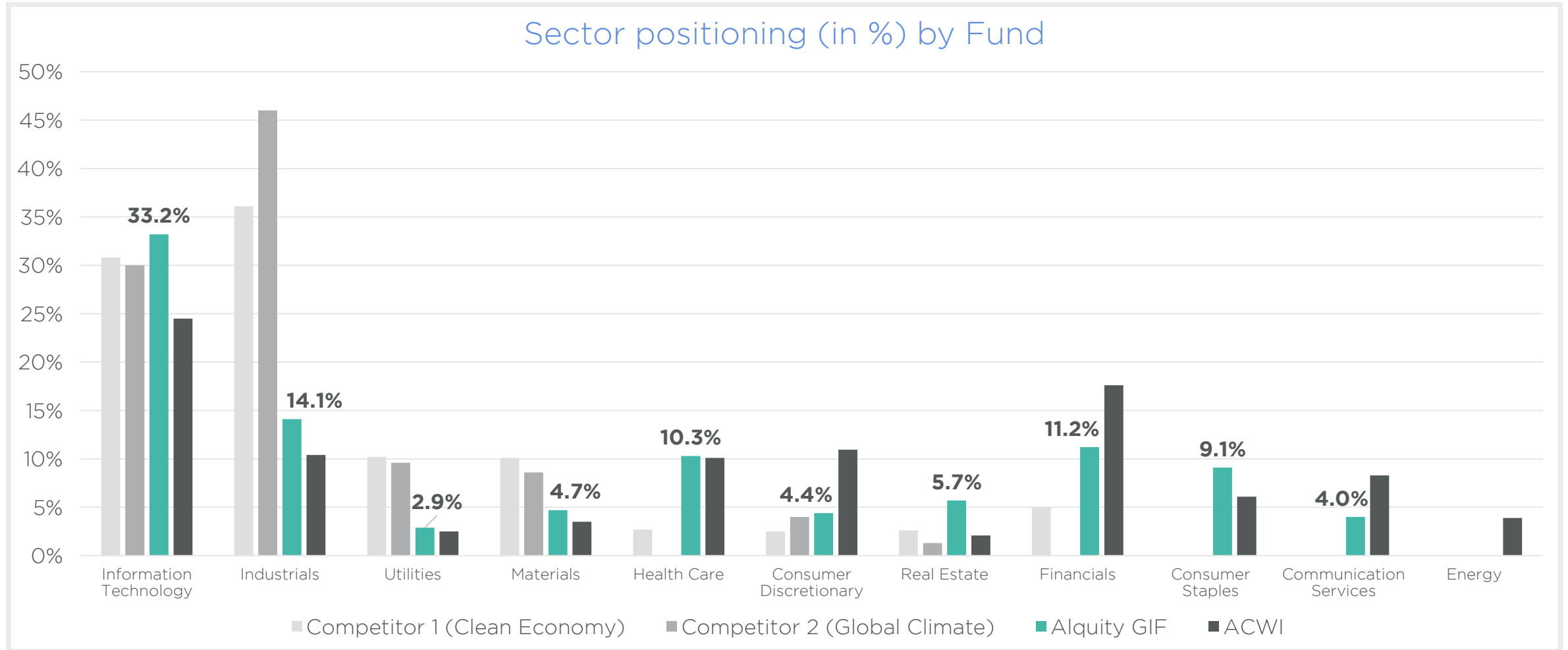
	Since Trump Election	YTD
Growth	5.5%	-0.3%
Value	3.9%	6.1%
DM Equities	4.7%	2.8%
EM Equities	-1.5%	2.3%
Europe	6.3%	10.8%
Small Cap Equities	0.1%	0.0%
Asia Pac ex Japan	-2.3%	1.3%
Japan	0.5%	0.2%
US	4.9%	1.4%
Magnificent 7	8.8%	-6.5%
China	10.7%	12.8%
Sustainable Development Index	-6.2%	3.0%

NAVIGATING VOLATILITY



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The Fund avoids the sector bias of other Article 9 peers













Source: Alquity, Morningstar. Data as of 28th February 2025



Navigating volatility: post-Trump election

November/December 2024	Investment Strategy	Opportunities (examples)
Magnificent 7 and consumer discretionary rally	Address underweight; replicate beta	 
Negative sustainability sentiment	Shift into domestic industrials	 
Europe drawdown	Buy "Value" companies	 

Navigating volatility: rotation from Growth and the US

YTD	Investment Strategy	Opportunities (examples)
AI drawdown	Focus on Trump policies beneficiaries; trade earnings tactically	 BROADCOM ®  
Falling yields and positive growth	Buy non-US financials, Real Estate	   INTESA  SANPAOLO
Chinese tech	Increase exposure	 腾讯 
Growth to Value rotation	Reduce Magnificent 7 beta and domestic industrials	 GILEAD  AMERICAN WATER

Conclusion

- **Dynamic and Data Driven:**
 - Use advanced statistical analysis to understand how correlations and volatilities are evolving
 - Identify companies that rank well along the equity factors of growth, value, momentum, market cap, quality and volatility
- **Responsible Investing Leads to Risk Management**
 - Our ESG dashboard is like our compass, guiding us to investments that align with protecting shareholders' interests
- **Active Management**
 - Through daily statistical analysis and our diversified approach to risk management, every stock in the portfolio must play a role in managing active returns and risk.

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