

EMERGING MARKETS IN 2025: DIVERSIFICATION AND GROWTH

We believe that these are the necessary key attributes to successfully navigate the current noisy investment landscape.

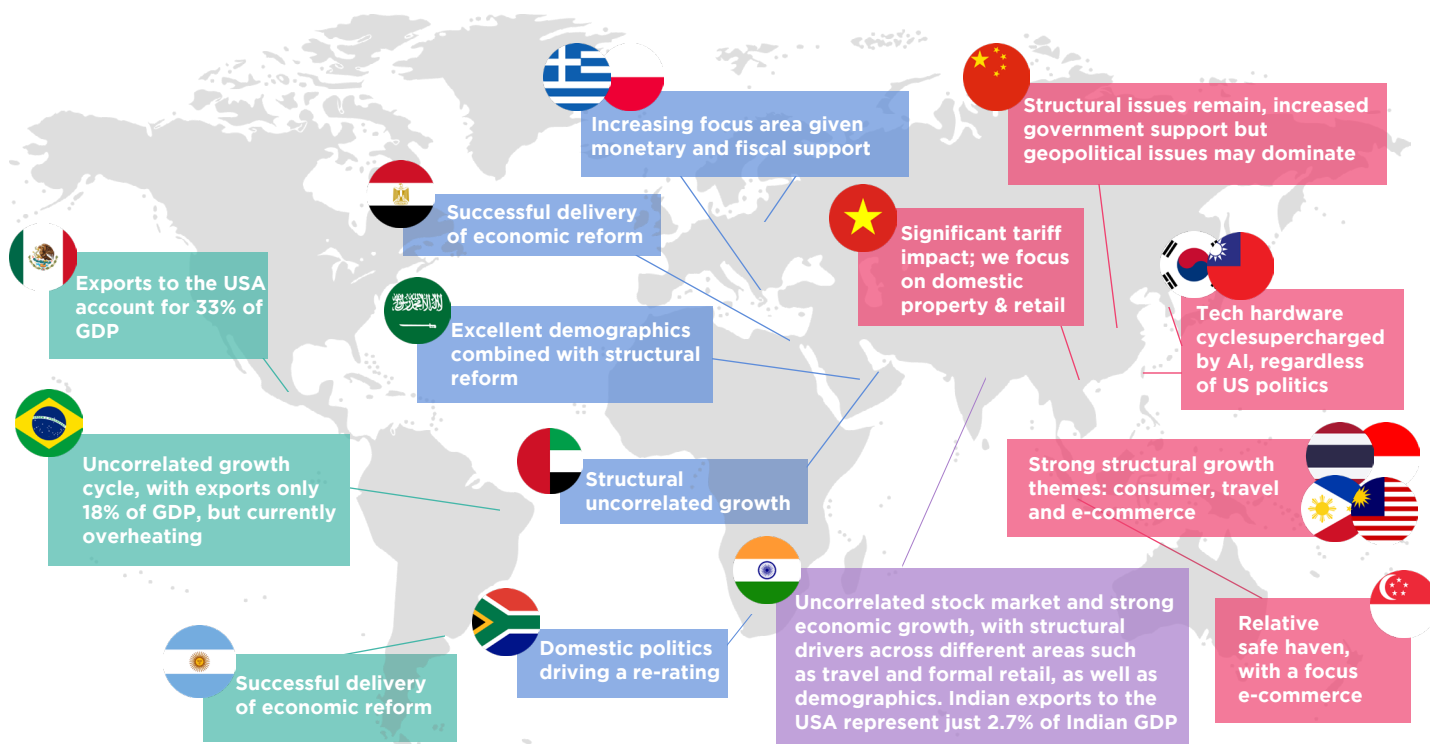
March 2025



- 1 A DOMESTIC GROWTH PLAY:** Our portfolio is focused on **beneficiaries of domestic structural growth** (e.g. demographics, e-commerce, travel). **69 out of 82 of our names are domestically driven.**
- 2 RESILIENT GLOBAL WINNERS:** We only invest in **exporters with a sustainable competitive advantage**, even after any new trade barriers, such as semiconductor manufacturers and **beneficiaries of the AI revolution.**
- 3 DIVERSIFIED:** The Future World Fund captures **secular growth tailwinds across approximately 20 countries**, mitigating country-specific economic and political risks.
- 4 ACCELERATING GDP GROWTH:** Expected for certain markets, such as **Saudi Arabia and South Africa**. Periphery Europe (**Greece, Poland**) is expected to grow at 2-3x the rate of the Eurozone. Asian markets, such as **Indonesia, India and the Philippines, are expected to still grow at 5%+.**
- 5 VALUATIONS AT HISTORICAL LOWS:** **Emerging Markets have never been this cheap** versus Developed Markets.

2025 IS A YEAR FOR ACTIVE MANAGEMENT

36/82 of our positions are out of index



Source: Alquity, as of 31st March 2025. For informational purposes only - should not be solely relied upon for investment or financial decisions.

EXAMPLES OF OUR DOMESTIC GROWTH STORIES



The companies mentioned above are provided for information purposes only, are subject to change and are not a recommendation to buy any particular company.

A DIFFERENTIATED VALUE PROPOSITION

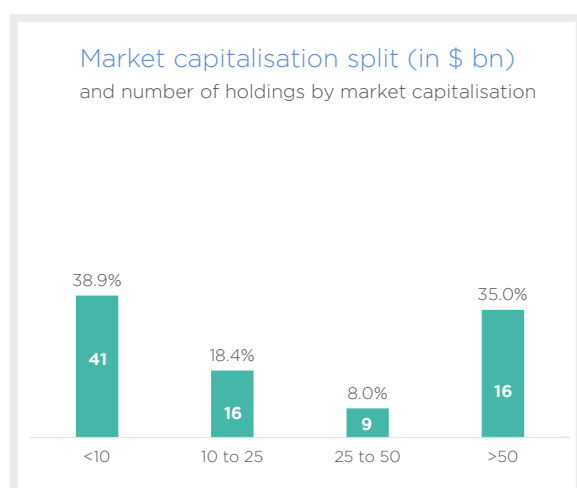
More alpha, less ordinary

44% of our holdings aren't in the index. We unlock growth with a **multi-cap strategy** that prioritises quality companies across Emerging and Frontier Markets, regardless of size or index inclusion (Figure 1).

Quality growth

We focus on **attractively valued, quality businesses** with sustainable competitive advantages, offering faster earnings growth and greater profitability than the EM index (Figure 3).

Figure 1: Our multi-cap strategy



Data as of 31st March 2025.



ESG at the forefront - Impact is in our DNA

We use ESG as a **risk mitigation tool**, with our **unique business model having a social impact**. The Fund also has 66% less GHG intensity and 64% less water intensity than the index.

Figure 2: We focus on quality growth companies

	Dividend Yield	2025 P/E ratio	2025 ROE	Annual EPS growth (5yr avg)
Fund	2.1%	21.8x	21.7%	8.4%
Index	2.6%	23.2x	18.3%	8.0%

Figure 3: Strong and consistent performance

	1 year	3 years	Since 31/08/20*
Fund	9.3%	-0.4%	10.3%
Index	8.1%	4.4%	11.5%
ETF	8.7%	4.2%	8.7%
Percentile	20	54	35

Data as of 31st March 2025. *Since the investment process changes took place. The percentile numbers provided here pertain to the EM equity universe within the Lipper classification.

VALUATIONS REFLECT THE CONCERNS, BUT ARE IGNORING THE POSITIVE DRIVERS

Figure 4: EM to DM index trailing P/B ratio



Data as of 31st March 2025. The valuations presented here are for informational purposes only and should not be solely relied upon for investment or financial decisions.

AN EXPERIENCED TEAM

The team has been working together for over 5 years. We combine intensive, fundamental research with a broad, long-term perspective.



Led by Mike Sell, Head of Global Emerging Markets, who joined Alquity in 2014 and has **over 25 years of experience investing in Emerging Markets**.



Marnie Aragon-Uy, who became part of the team in 2019, has **over 25 years of experience in investing**. Marnie is co-manager of the Fund, and has been responsible for **refining Alquity's risk and volatility profile**, leading to improved risk-adjusted returns.



Kieron Kader, Associate Portfolio Manager, joined Alquity in 2019 and has **over 9 years of experience** investing in Emerging Markets.



Daniel Billis, Associate Portfolio Manager, came on board in 2018 and has **over 6 years of experience** investing in Emerging Markets.

FOR MORE INFORMATION ON ALQUITY, PLEASE VISIT

www.alquity.com



Alquity Investment
Management

SOURCES

Sources: Bloomberg, Alquity (EM vs DM valuations, as of 31st March 2025), Bloomberg (GDP Growth rates expected for 2025, as of 31st March 2025), Alquity (Relative water and GHG intensity to index, 100% coverage including 80% reported and 20% estimated, as of 31st December 2024), Alquity, Bloomberg and Lipper (index, ETF, and performance data as of 31st March 2025), Alquity (portfolio data, as of 31st March 2025), Alquity, Bloomberg (portfolio characteristics data, market capitalisation data, as of 31st March 2025).

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