

Global Emerging Markets Equity Fund



January 2026 Commentary | ISIN for Class D USD: IE00BGPBQH85

MARKETING COMMUNICATION

Our investment approach

- Country selection is crucial in EM as excess liquidity moves markets and stock returns by country have a high dispersion
- Stock selection adds value given the market often overlooks structural shifts and underestimates a firm's enduring competitive edge
- A sound investment process must consider the behavioural aspects of managing money

Portfolio Management Team



Ian Beattie

34 years in the industry



Brian Coffey

33 years in the industry



Luis Alves de Lima

22 years in the industry



Oliver Adcock

18 years in the industry



Mazika Li

9 years in the industry

Market commentary

In-depth macro analysis has always been a cornerstone of our process, based on an understanding that emerging markets are highly sensitive to macro shocks which can overwhelm ostensibly solid company fundamentals. The outbreak of conflict following US and Israeli strikes to take out the Iranian regime is one such event, and has sparked violent moves in markets.

Our approach to forming a top down view of our markets is to mark the direction of travel whether it be our monetary indicators or more qualitative factors such as politics and institutional quality. This and our detailed country work is designed to help us understand how the investment environment is changing through cycles, structural change and theme-driven liquidity. Through this context we can get a sense of what types of businesses are likely to be rewarded in a given environment and adjust the portfolio accordingly.

Towards the end of last year, one of the most debated topics of discussion in the team was our heavy underweight to the Energy sector and in particular oil. Our only Energy holding at the end of 2025 was uranium miner CGN.

While we were and still remain structurally cautious on the long term prospects for oil as an investment, we were wary from a portfolio risk perspective that the absence of any oil exposure had become a highly consensus position and were becoming uncomfortable with the weak oil price starting to squeeze US shale oil production. This alongside news of a US naval build up in the Persian Gulf, Arabian Sea and Eastern Mediterranean early in the year suggested the portfolio was exposed to risk of a geopolitical shock in the region. Through January and February we gradually lifted our oil exposure from zero to an equal weight of over 3.5%.

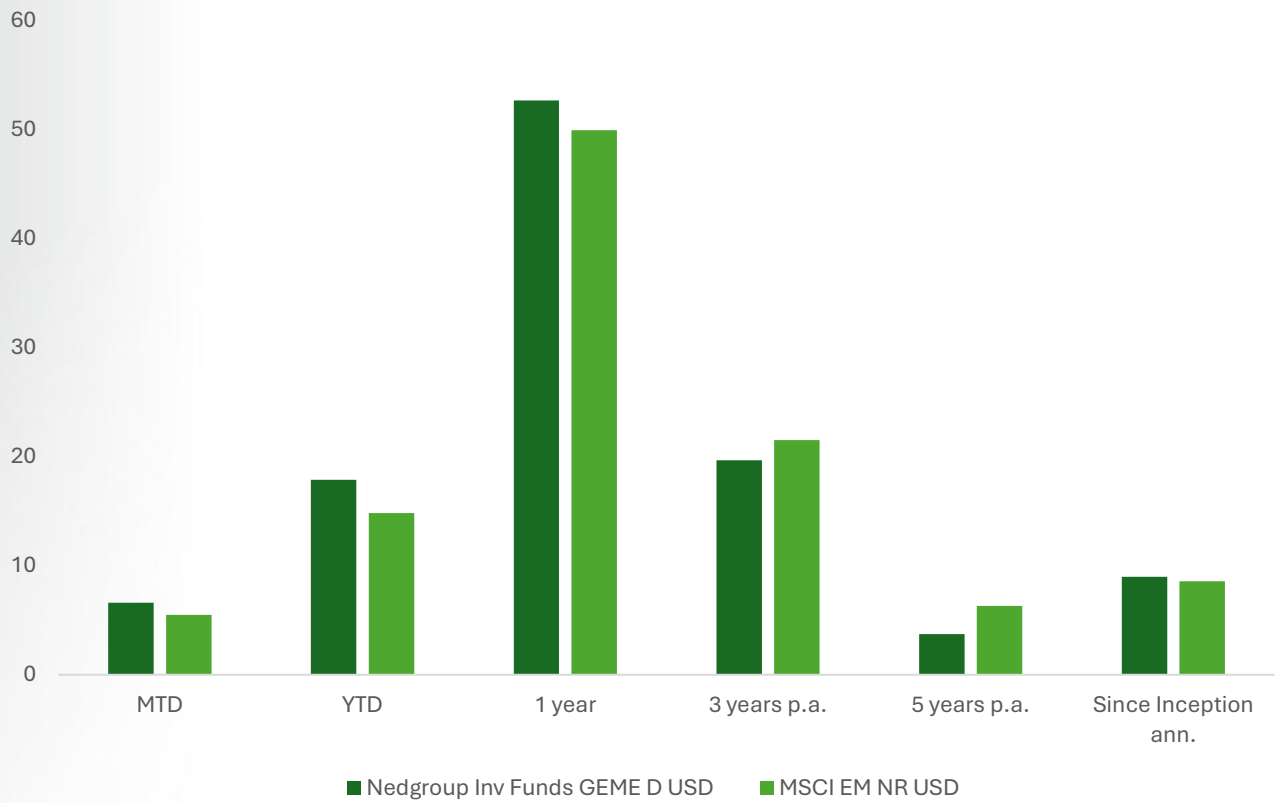
We rated the global monetary backdrop as modestly supportive coming into this shock, largely reflecting favourable trends in EM. However, we have been expecting the global stockbuilding cycle to turn down during 2026, giving us a bias to increase defensive positioning at the margin, especially on any signs of monetary weakness.

The energy price spike, unless swiftly reversed, will push up inflation and squeeze real money growth. It is leading to a revision of expectations for central bank policies, which may dampen nominal money growth. Nominal money trends are also at risk from recent tightening in US private credit conditions, which the current shock may exacerbate.

We are cautious and do not expect the negative effects of this shock will be swift to reverse, so our inclination is to add to defensive positioning on any rally, rather than to view current market weakness as a buying opportunity.

Fund Performance to 28th February 2026

Past performance is not indicative of future performance and does not predict future returns



Class inception date May 2019. Source: Morningstar

Key return drivers: February 2026

Stock Contribution: Top 5 & Bottom 5

Winners	Contribution (%)	Losers	Contribution (%)
ASE Technology	0,34%	Hyundai Motor Co	-0,16%
Aura Minerals Inc	0,28%	Futu Holdings Ltd	-0,16%
Kb Financial Group Inc	0,22%	Hanwha Aerospace Co Ltd	-0,15%
Accton Technology Corp	0,22%	Alibaba Group Holding Ltd	-0,15%
Sany Heavy Equipment Intl	0,18%	AIA Group Ltd	-0,14%

Sector Contribution

Sector	Security Selection	Sector Allocation	Total
Information Technology	1,60%	0,06%	1,66%
Materials	0,30%	-0,04%	0,26%
Health Care	0,19%	0,04%	0,22%
Real Estate	0,16%	-0,07%	0,09%
Utilities	0,07%	0,00%	0,07%
Consumer Staples	-0,08%	0,08%	0,00%
Communication Services	-0,12%	0,10%	-0,02%
Other	-0,09%	0,02%	-0,07%
Energy	-0,14%	-0,01%	-0,15%
Consumer Discretionary	-0,41%	0,23%	-0,18%
Industrials	-0,26%	0,06%	-0,20%
Financials	-0,32%	0,08%	-0,24%
Cash	-0,01%	-0,27%	-0,27%

Country Contribution: Top 5 & Bottom 5

Country	Security Selection	Country Allocation	Total
Taiwan	1,01%	-0,08%	0,94%
China	-0,25%	0,92%	0,67%
Brazil	0,40%	0,00%	0,40%
Saudi Arabia	-0,01%	0,27%	0,26%
India	-0,01%	0,13%	0,13%
United Kingdom	-0,12%	-0,01%	-0,12%
Egypt	-0,01%	-0,13%	-0,14%
Thailand	0,00%	-0,15%	-0,15%
Cash	-0,01%	-0,27%	-0,27%
Hong Kong	-0,09%	-0,27%	-0,35%

Attribution analysis and positioning information as at 28 February 2026. Source: NS Partners Ltd

Portfolio Characteristics: as at 28th February 2026

Top 10 Holdings

Stock	%	Stock	%
TSMC	9,83%	ASE Technology Holding	3,14%
Samsung Electronics Co Ltd	9,07%	Delta Electronics Inc	2,71%
SK Hynix Inc	4,39%	HDFC Bank Limited	2,30%
Tencent Holdings Ltd	3,88%	Samsung C&T Corp	2,06%
Alibaba Group Holding Ltd	3,53%	Accton Technology Corp	1,96%

Sector Allocation

Sector	Portfolio	MSCI EM Index	Variation
Industrials	12,83%	7,27%	5,56%
Cash	2,14%	0,00%	2,14%
Information Technology	35,31%	33,22%	2,09%
Real Estate	2,70%	1,27%	1,42%
Energy	3,84%	3,68%	0,15%
Other	-0,45%	0,00%	-0,45%
Communication Services	6,62%	7,58%	-0,96%
Materials	6,46%	7,45%	-1,00%
Utilities	1,17%	2,19%	-1,02%
Health Care	1,68%	2,88%	-1,19%
Financials	19,33%	20,73%	-1,39%
Consumer Discretionary	7,69%	10,37%	-2,67%
Consumer Staples	0,68%	3,36%	-2,68%

Country Allocation: Top 5 & Bottom 5

Country	Portfolio	MSCI EM Index	Variation
Hong Kong	4,43%	0,00%	4,43%
South Korea	21,47%	18,08%	3,39%
Egypt	1,58%	0,08%	1,49%
Argentina	1,38%	0,00%	1,38%
United Arab Emirates	2,38%	1,39%	0,99%
Thailand	0,00%	1,12%	-1,12%
South Africa	2,52%	3,94%	-1,42%
India	10,92%	12,82%	-1,91%
Saudi Arabia	0,43%	2,59%	-2,16%
China	17,01%	23,77%	-6,76%

Attribution analysis and positioning information as at 28 February 2026. Source: NS Partners Ltd

Attribution and Positioning Summary

What worked:

- Stocks in Brazil, Taiwan, Mexico and Poland; underweight in China, India, Chile, Indonesia, Saudi Arabia and UAE; overweight in South Korea; stocks in Materials, Healthcare, Utilities and Real Estate; underweight Consumer Discretionary and Financials

What didn't work:

- Stocks in China, South Korea and Peru; Hong Kong exposure; overweight in Egypt and Poland; underweight in Taiwan; Turkey exposure; stocks in Energy, Industrials, Consumer Discretionary and Financials

The good:

- **ASE Technology** - leader in outsourced semiconductor assembly and testing, growth from advanced packaging demand as CoWoS capacity expands to absorb spillover from TSMC, with AI, HPC and networking
- **Aura Minerals** - gold producer operating mines in Brazil, Mexico and Honduras; consistent production growth, all-in sustaining costs of around US\$1,300-1,450/oz placing Aura well below the global average on the cost curve; strong margin capture at current gold prices
- **KB Financial** – reported strong results with net profit rising 15%, ROE of 11% among the best in the Korean banking sector; management announced an aggressive plan for shareholder returns incl a large cash dividend, and ~1.2 trillion won in share buybacks in 1H26

The bad:

- **Alibaba** – stock pull back on concerns over heavy AI investment hurting profitability, despite launch of upgraded Qwen 3.5 LLM
- **Futu Holdings** – weakness linked to concerns over US market performance and crypto drawdowns; reported strong results with healthy flows, diversifying client mix, and rising contributions from margin financing and securities borrowing to net interest income
- **AIA Group** – no news; underperformance coincides with broader China market weakness in early Feb

Changes over the month:

- Added to Argentina, UAE, Turkey, Hong Kong, Egypt, Hungary, Mexico and Peru; sold Philippines and Malaysia; added to Industrials, Energy, Real Estate and Financials; reduced Consumer Discretionary and Communication Services

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