

EM Leaders Edge: Global Strategy & Local Networks

EMERGING MARKETS EXPERTISE AND INVESTMENT BELIEFS

EM Leaders is an independent registered investment advisor dedicated to public emerging market strategies. We take a long-term institutional perspective in EM high-alpha segments and combine best local research with best global investment talent. We focus on mid-size growth and innovation companies with strong earnings, mostly nimble, under-researched, off-benchmark firms, with low correlations to EM mega-cap multinationals. Our investment process generates a unique local sandbox from best ideas across 20 EM, incorporating local information asymmetries, and a multifactor model that integrates quality and sustainability, keeping beta and risk exposures well below benchmarks. Our active stock selection is generating substantial bottom-up alpha, while value-added from factors, themes, sector and country choices is yielding information ratios above one.

INSTITUTIONAL STRUCTURE PLUS INVESTMENT NETWORK

We are passionate and experienced EM investment experts, delivering innovative solutions for leading institutional investors. We established a global network covering 50 buy-side teams, developed a proprietary process based exclusively on public data, and are focusing on long-term risk-adjusted returns. We are uniquely positioned to scale local insights into global portfolios as leader in this space.

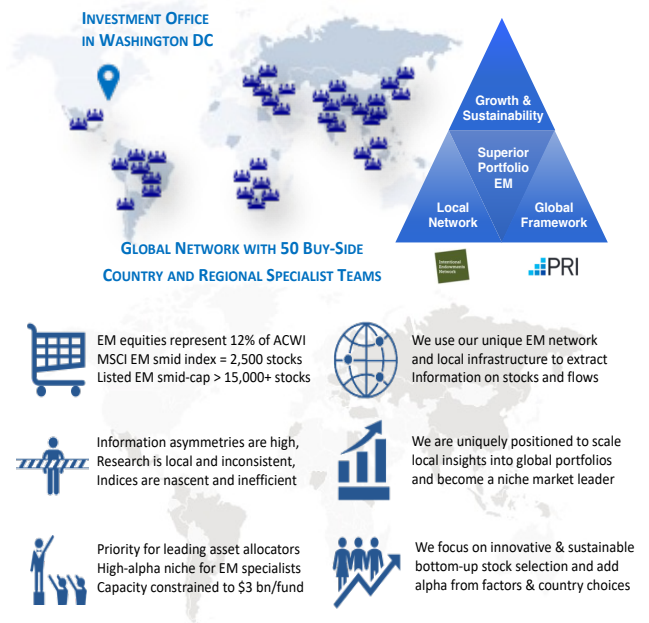
ASSET ALLOCATION FAVOURING INTERNATIONAL STRATEGIES

EM equities have been a neglected asset class for a decade but could yield real-returns of 8% over the coming decade. EM currencies have become substantially undervalued and could add strong tailwinds to solid EM macro fundamentals. EM growth is far exceeding developed market growth as China is reopening, while the US and Europe are stagnating. Attractive valuations and early-cycle dynamics are now favouring international and EM small-and-mid-cap stocks.

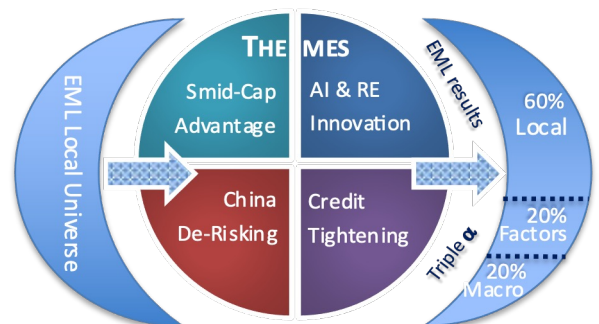
INVESTMENT DRIVERS REFLECTING MACRO THEMES

EM Leaders has a strong conviction that we can generate superior performance with local smid-cap growth stocks. We select companies with high quality and low leverage, with wide moats and good pricing power, and with limited dependence on commodities and lower interest durations. We emphasize solid credit profiles and sound FCF liquidity.

EM LEADERS PROFILE



EM LEADERS STRATEGY



MULTI-FACTOR MODELS ADDING HORIZONTAL ALPHA

EM Leaders believes that most promising investments in EM are found in smid-cap growth and innovation companies where the lack of research coverage creates information asymmetries. These companies outperformed their index over three and five years by 3% to 8% on average. Local technology companies across EM created the highest value-added of 10% over the past five years, especially smid-cap firms that maintained low leverage and strong earnings, which we express as high quality. However, currencies across EM lost 20% cumulatively against the US\$ over the past five years, but that FX trend now started to reverse.

COUNTRY SELECTION ENHANCING RISK DIVERSIFICATION

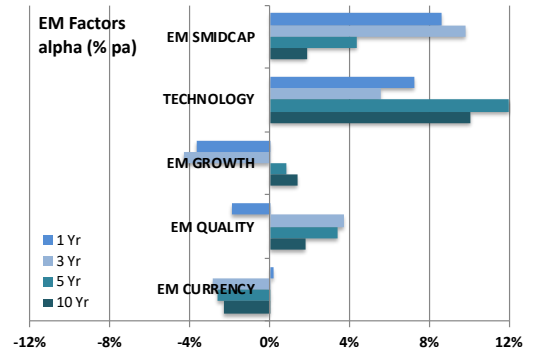
Our company strongly supports UN Principles for Responsible Investment as well as the Intentional Endowments Network. We respect UN exclusion criteria, emphasize sustainability and sound governance, and avoid state-owned companies. Our top-down investment models seek risk diversification into smaller countries with more attractive valuations, as we observe mean-reversion at country and sector levels. Our medium-term investment horizon limits portfolio turnover and maintains minimum liquidity thresholds. Alpha is generated both from our top-down selection model and independently from our horizontal multi-factor model.

SOLID PERFORMANCE ACROSS MARKET CYCLES

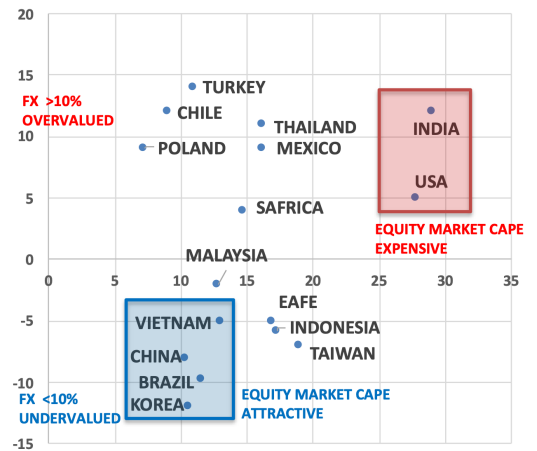
EM Leaders has differentiated itself over the past three years, generating outperformance in down markets, while many competing growth managers badly underperformed. Our rolling 12-months-returns have exceeded benchmarks by an average of 10%, both in bear- and in bull-markets, generating information ratios consistently above one. Independent research studies confirmed our investment style has remained steady with a growth and quality bent, while risk and volatility remained well below benchmarks. EM Leaders continuously maintains top-quartile rankings.

EMERGING MARKET FACTORS

- EM IS AN ACTIVE, GROWTH & INNOVATION STRATEGY
- EM SMID-CAP HAS BIG INFORMATION ASYMMETRIES
- EM FACTORS ADD STABLE & UNCORRELATED ALPHA



EMERGING MARKET VALUATIONS



EM LEADERS PERFORMANCE

