

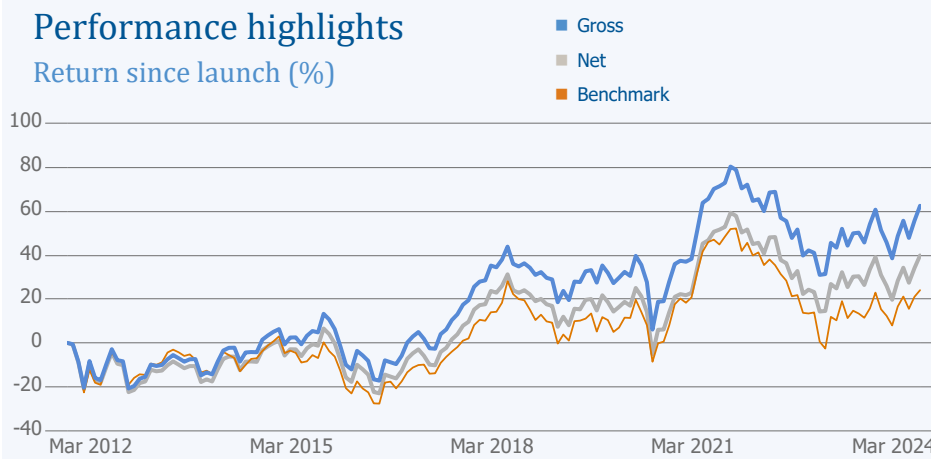
JOHCM Global Emerging Markets Opportunities

Strategy overview

- The strategy aims to generate long-term capital growth through active management of a portfolio of equities listed on emerging stock markets.
- For fund managers James Syme and Paul Wimborne, identifying the most attractive emerging markets in which to invest is the most important influence on investment performance.
- Complementing their top-down view is a stock selection process that focuses on identifying quality growth stocks within their favoured countries.
- Benchmark: MSCI Emerging Markets Index
- The use of the Index does not limit the investment decisions of the fund manager therefore the shareholdings of the portfolio may differ significantly from those of the Index.

Performance highlights

Return since launch (%)



Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised
Gross	4.37	4.38	8.37	-1.76	4.14	5.41	62.38	3.88
Net	4.30	4.15	7.40	-2.66	3.17	4.33	39.83	2.66
Benchmark	2.48	2.37	8.15	-5.05	2.22	2.95	23.96	1.70

Past performance is no guarantee of future performance.

The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. Investing in companies in emerging markets involves higher risk than investing in established economies or securities markets. Emerging Markets may have less stable legal and political systems, which could affect the safe-keeping or value of assets. Investments may include shares in small-cap companies and these tend to be traded less frequently and in lower volumes than larger companies making them potentially less liquid and more volatile.

Source: JOHCM/MSCI Barra/Bloomberg. Gross and net composite performance, net income reinvested. Composite performance is based on the A GBP primary share class converted into USD. 3, 5 and 10 year and since launch performance is annualised. The composite was created on the 30 June 2011. Benchmark: MSCI Emerging Markets NR. Statistics calculated using weekly returns.

Statistics

Annualised since launch

Active share (%)	73.79	Correlation	0.95
Strategy volatility (%)	17.54	Tracking error (%)	5.61
Benchmark volatility (%)	17.76	Information ratio	0.38
Alpha	2.32	Sharpe ratio	0.14
R squared	0.90		

USD

Strategy details

Strategy size	USD 2.56bn
Launch date	30 June 2011
Benchmark	MSCI Emerging Markets NR
Available as	Irish UCITS, Delaware Statutory Trust, Mutual Fund, Segregated Account

Total strategy assets updated quarterly and shown as at 31 March 2024.

Portfolio managers



James Syme

Senior Fund Manager

James has managed the strategy since launch. He joined JOHCM in 2011 and has 29 years of industry experience.



Paul Wimborne

Senior Fund Manager

Paul has managed the strategy since launch. He joined JOHCM in 2011 and has 25 years of industry experience.



Ada Chan

Senior Fund Manager

Ada has managed the strategy since January 2022. Ada joined JOHCM in 2011 and has 24 years of experience.

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Strategy analysis (%)

Data as at 31 March 2024

Top 10 holdings

Equities	Absolute	Relative
Taiwan Semiconductor	8.8	0.5
Tencent	6.3	2.7
Larsen & Toubro	4.9	4.5
Samsung	3.9	-0.7
Itaú Unibanco	3.7	3.2
Cemex	3.5	3.5
Banorte	3.4	3.1
Bank Mandiri	3.3	3.1
Bank Rakyat Indonesia	3.0	2.7
Trip.com Group	3.0	2.7
Total	43.8	

Sector breakdown

	Absolute	Relative
Financials	27.1	4.7
Real Estate	5.7	4.2
Consumer Staples	9.4	3.7
Industrials	8.5	1.5
Materials	7.9	0.7
Utilities	2.4	-0.3
Energy	4.6	-0.7
Consumer Discretionary	11.3	-1.2
Communication Services	6.5	-2.1
Health Care	1.1	-2.4
Information Technology	14.4	-9.3
Cash	1.2	1.2

Active bets

Top 5	Relative
Larsen & Toubro	4.5
Cemex	3.5
Itaú Unibanco	3.2
Banorte	3.1
Bank Mandiri	3.1
Bottom 5	Relative
Alibaba Group	-2.0
Pinduoduo	-1.0
Infosys	-0.8
Hon Hai Precision Industry	-0.8
China Construction Bank	-0.8

Country breakdown

	Absolute	Relative
China	23.8	-1.3
India	15.3	-2.4
Taiwan	11.2	-6.4
Brazil	11.1	5.9
Mexico	10.4	7.7
Indonesia	8.5	6.7
South Korea	6.4	-6.4
United Arab Emirates	4.4	3.2
South Africa	2.8	0.1
Other	4.8	-8.1
Cash	1.2	1.2

Market cap breakdown

	Absolute	Relative
Large (>USD 10bn)	84.0	5.6
Mid (USD 1 - 10bn)	14.0	-7.6
Small (<USD 1bn)	0.8	0.8
Cash	1.2	1.2

Attribution (%) Data from 1 January 2024 to 31 March 2024

Stock attribution

Top contributors	Relative return
Taiwan Semiconductor	0.66
State Bank of India	0.63
Bank Mandiri	0.52
Trip.com Group	0.47
Cemex	0.44
Top detractors	
FirstRand	-0.64
HDFC Bank	-0.45
Ambev	-0.38
HKEX	-0.35
Petrobras	-0.31

Sector attribution*

	Relative return
Consumer Discretionary	1.14
Information Technology	0.76
Materials	0.61
Health Care	0.39
Communication Services	0.25
Industrials	0.02
Utilities	-0.05
Real Estate	-0.05
Financials	-0.11
Consumer Staples	-0.23
Energy	-0.36

*Excludes cash

Source: JOHCM/MSCI Barra/Bloomberg. Benchmark: MSCI Emerging Markets NR. Please note that due to rounding breakdowns may not add to 100.00%. All Attribution figures are as at end of day and are calculated on a gross basis. Other includes: Argentina, Chile, Colombia, Czech Republic, Egypt, Greece, Hungary, Kuwait, Malaysia, Peru, Philippines, Poland, Qatar, Saudi Arabia, Thailand, Turkey and non-benchmark countries. Stock holdings are subject to change at any time and are not recommendations to buy or sell any security. A list of all holdings during the period, corresponding performance contributions and attributions, and the calculation methodology is available upon request. Data based on a representative account.



Fund manager's commentary

- A strong US dollar in Q1 2024 pressured emerging markets, with MSCI EM returning only 2.37% despite strength in select areas
- The portfolio outperformed by being well-positioned, notably in Mexico despite a rising US dollar due to its central bank cutting rates
- India continued its positive trend due to pre-election optimism and a stable rupee, though valuations are becoming a concern

Q1 performance	%
Gross	4.38
Net	4.15
MSCI Emerging Markets NR	2.37

In the first quarter of 2024, continued evidence of a strong US economy led to a stronger US dollar, which, as often happens, acted as a headwind for emerging equity markets. In the quarter the MSCI EM index returned 2.37% in USD, although this was driven by only a few parts of the index, and most emerging market currencies depreciated against the US dollar. The portfolio was able to deliver strong returns in the period by being correctly positioned within key markets; in the quarter the fund returned 3.95% in USD terms.

With strong US economic data, US bond yields rose and the US dollar was strong. This led to some material weakness in some EM currencies: the Brazilian Real depreciated by 3.2% against the US dollar, while the Taiwanese dollar and the Korean won were down 4.4% and 4.2% respectively. This led many emerging market central banks to be more cautious about the future direction of policy interest rates. In Brazil, this led to expectations that interest rates would stay higher for longer, causing weakness in Brazilian equities, with MSCI Brazil down 7.4% in the quarter in USD. Mexico managed to be an exception, with the central bank finally cutting rates for the first time in this cycle and the Mexican Peso strengthening against the US dollar. MSCI Mexico rose 0.5% in USD in the period, underperforming the main EM benchmark, but the fund's Mexican holdings performed well in the period.

In the big East Asian markets, China underperformed on further policy disappointment, with MSCI China returning -2.2%. In Korea and Taiwan, market returns were highly differentiated between different sectors. Semiconductor stocks performed very strongly with continued optimism about the sector. Other parts of the two equity markets performed less well. MSCI Taiwan returned 12.4% in USD in the quarter and MSCI Korea 1.6%, and the portfolio performance benefited from its holdings in both countries.

Ahead of the election, and with economic momentum remaining strong, Indian markets continued to see positive returns. In the quarter, the Indian rupee was broadly stable and MSCI India returned 6.1% in USD.

We continue to look for equity markets that are seeing long, broad earnings upswings with supportive economic and political conditions, and that are at reasonable valuations. We remain positive on Mexico, Brazil, Indonesia and the UAE. We have become more cautious on India as valuations have become more challenging with equity performance running ahead of earnings growth. Despite China's broad economic and policy challenges, we continue to find parts of the economy and equity market that are delivering strong growth and that remain extremely attractively valued.

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