

EMERGING MARKETS

THE EVOLUTION OF EMERGING MARKETS

Agenda

- Recent Challenges in Emerging Markets
- Is the Emerging Markets Opportunity Still Intact?
 - Emerging Markets Have Grown
 - Equity Markets Have Also Evolved
 - Recent Hurdles Have Created Further Opportunities



**RECENT EVENTS IN EMERGING MARKETS
AND WHY IT'S BEEN SO CHALLENGING?**

A Challenging Year for Equity Markets

Performance: Emerging & Developed Markets Equity



Source: Bloomberg as of November 30, 2022. Past performance is not an indicator of future performance. Graphs are presented for illustration purposes only and should not be relied on to make an investment decision.

Key Drivers of Recent Volatility & Uncertainty

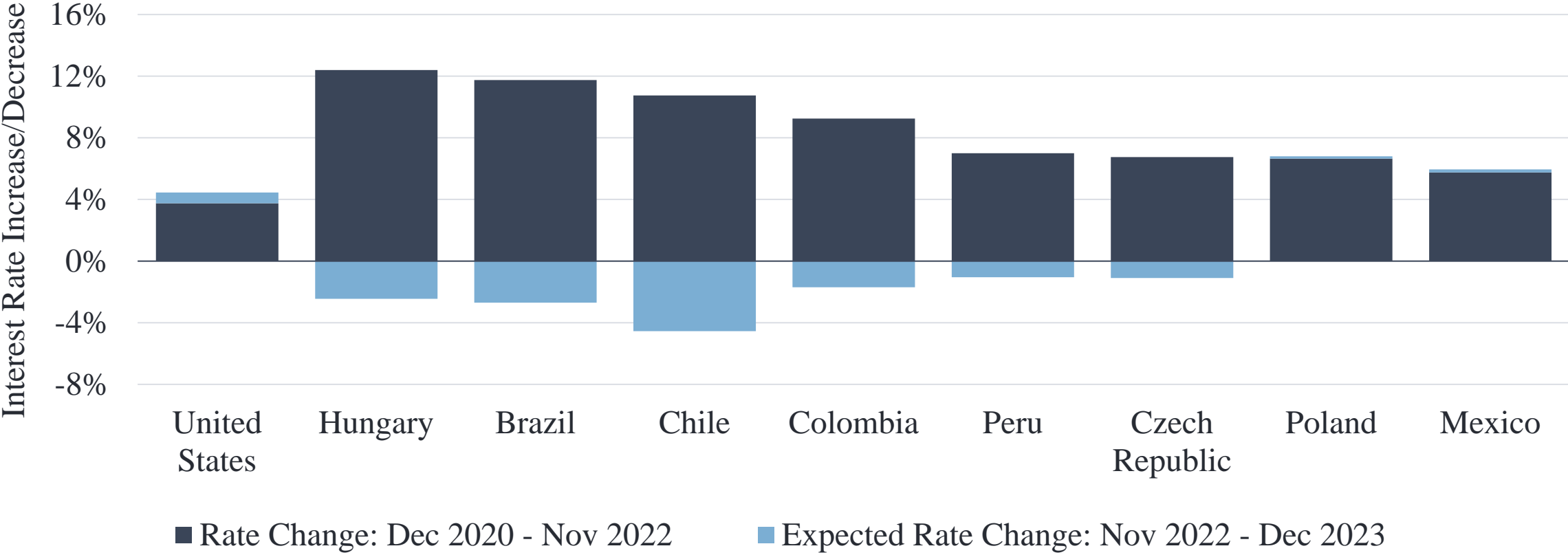
War in Ukraine

China

**Rates and
Inflation**

The Emerging Markets Interest Rate Outlook is Attractive

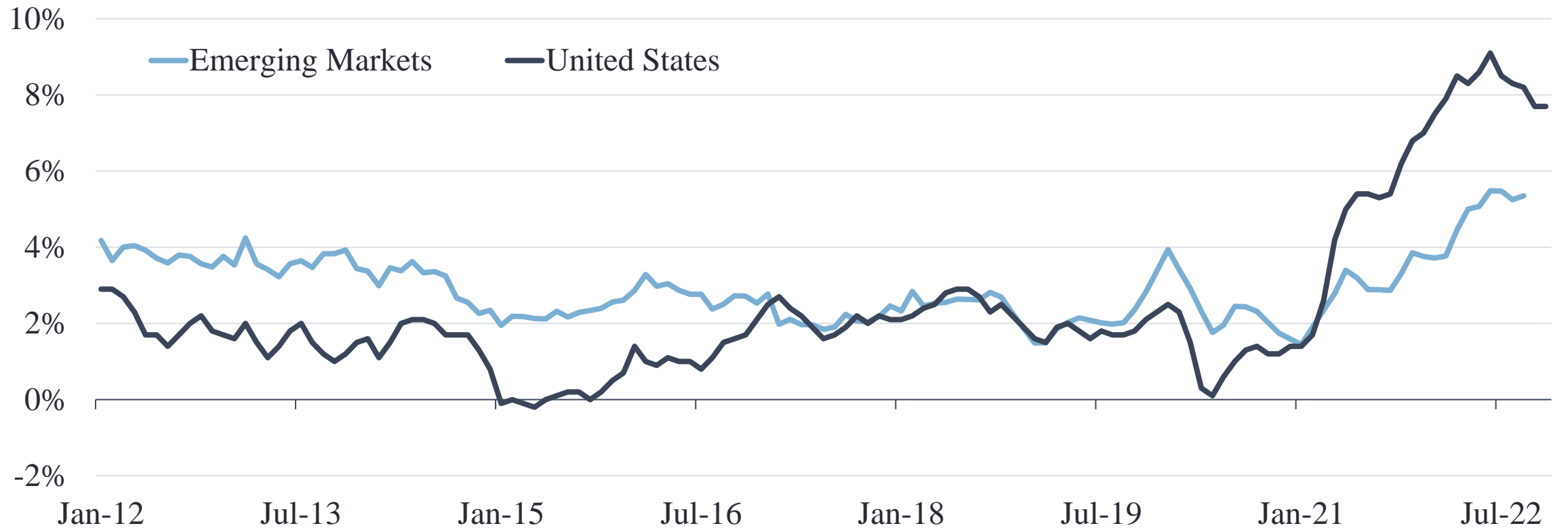
Interest Rates: Emerging Markets vs. Developed Markets



Source: Bloomberg. Forecast as of December 14, 2022. Graphs are presented for illustration purposes only and should not be relied on to make an investment decision. This material contains forward-looking statements that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results. These forward-looking statements are based on beliefs, assumptions and expectations of its future performance, taking into account all information currently available to source of the forward looking statements. You should not place undue reliance on these forward-looking statements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to ABS, and we cannot guarantee that we will achieve any or all of these expectations.

Inflation Management

Inflation: Emerging Markets vs US



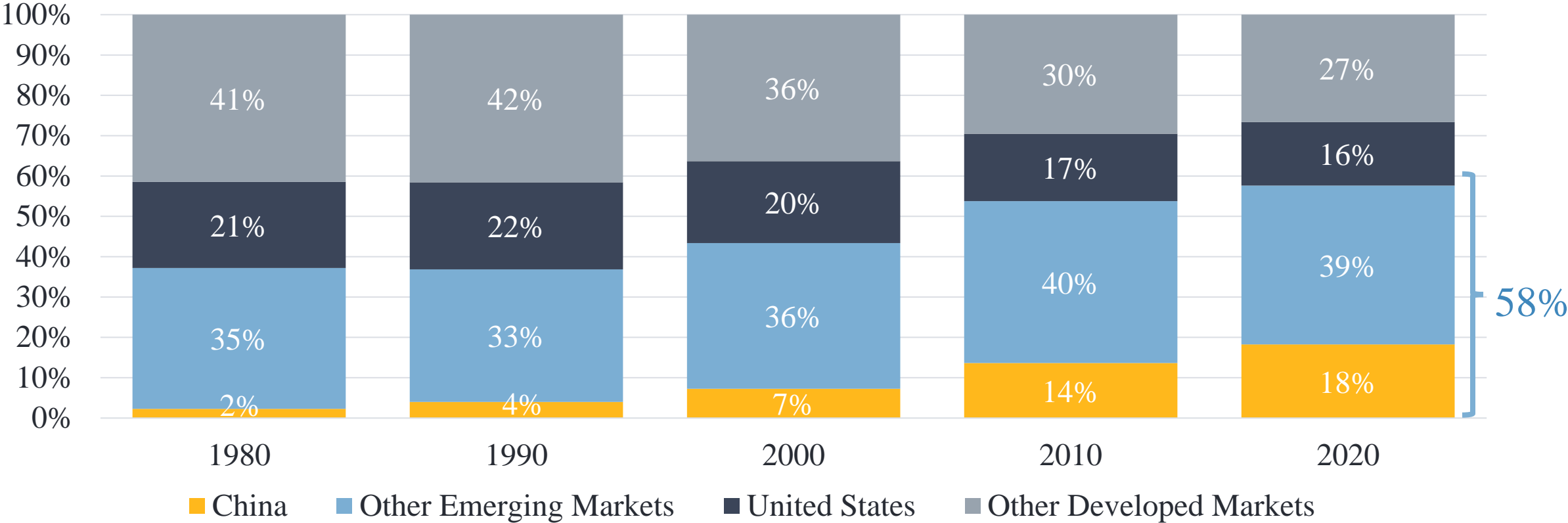
Source: Bloomberg as of November 30 2022. Inflation statistics depict year over year inflation., Past returns are not a guarantee of future results. Graphs are presented for illustration purposes only and should not be relied on to make an investment decision *Emerging Markets Inflation defined as the weighted average inflation utilizing country weights of the MSCI Emerging Markets Index as of June 30, 2022.



EMERGING MARKETS HAVE GROWN

Too Big to Ignore

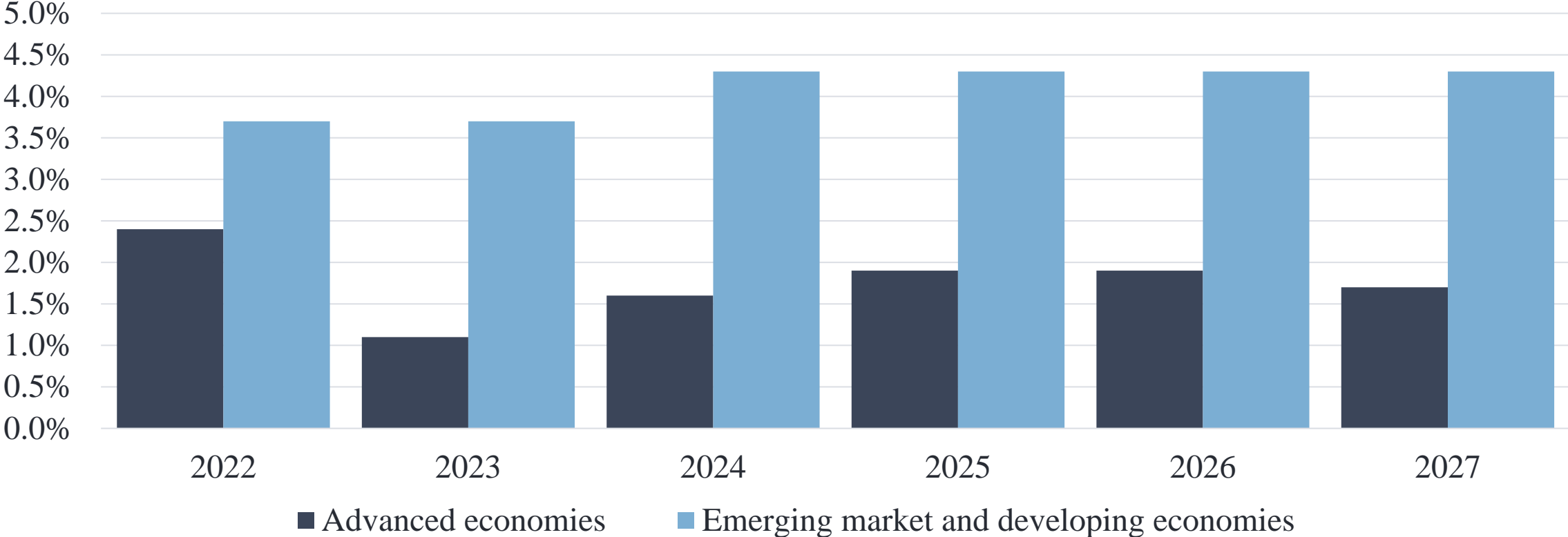
Growing Share of World GDP (1980 – 2020, based on PPP)



Source: IMF Datamapper Estimates as of October 2022. Developed and Emerging Market country definitions based on IMF definitions. Graph is presented for illustrative purposes only and should not be relied on to make an investment decision.

And Expected to Continue to Grow

Real GDP Growth Forecast: Emerging vs. Developed Markets



Source: IMF Datamapper Estimates as of October 2022. Developed and Emerging Market country definitions based on IMF definitions. Graphs are presented for illustration purposes only and should not be relied on to make an investment decision. This material contains forward-looking statements that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results. These forward-looking statements are based on beliefs, assumptions and expectations of its future performance, taking into account all information currently available to source of the forward looking statements. You should not place undue reliance on these forward-looking statements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to ABS, and we cannot guarantee that we will achieve any or all of these expectations.

Drivers of Emerging Markets Growth

Favorable
Demographics

Urbanization

Income Growth

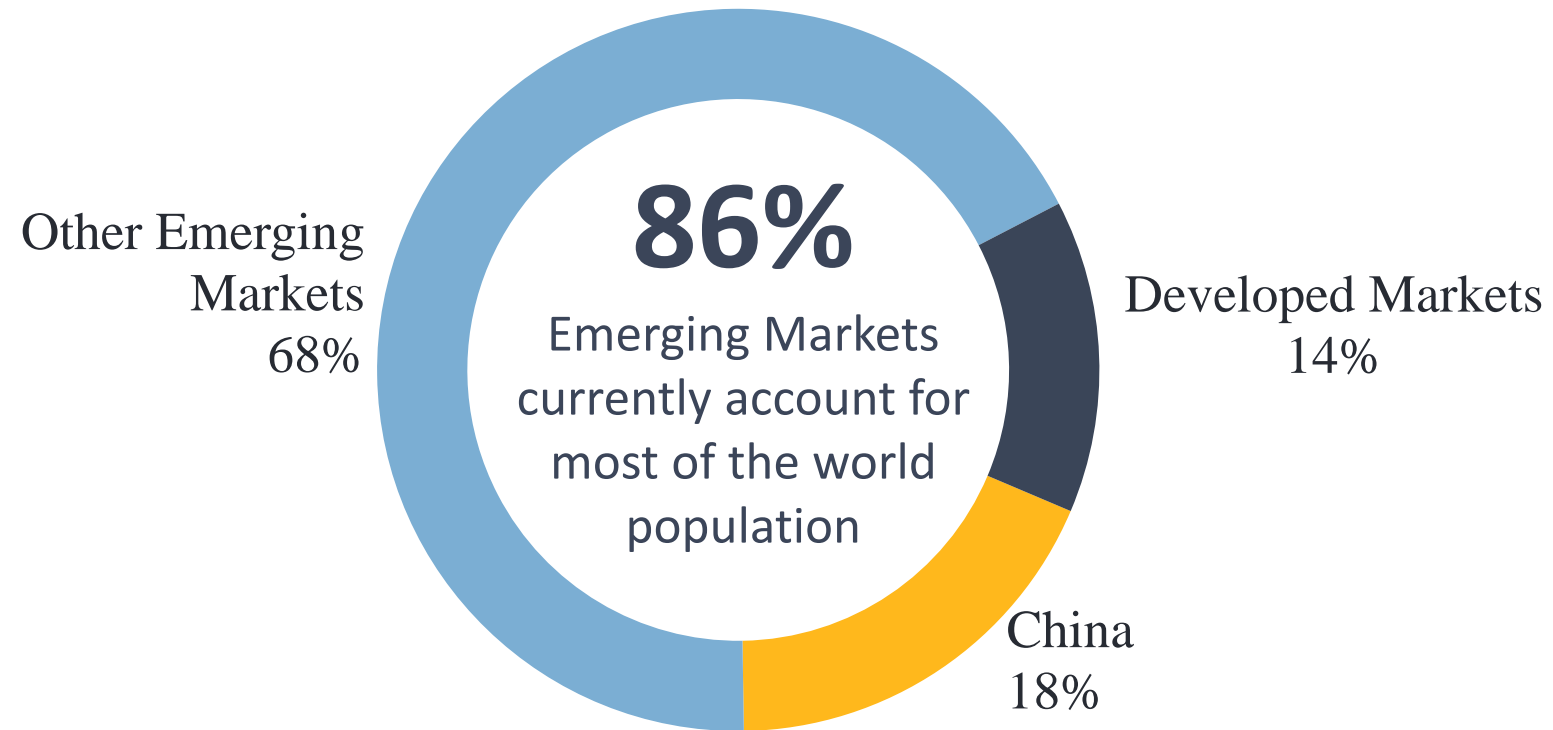
Education

Technology

Expansion of Middle Class and Domestic Consumption

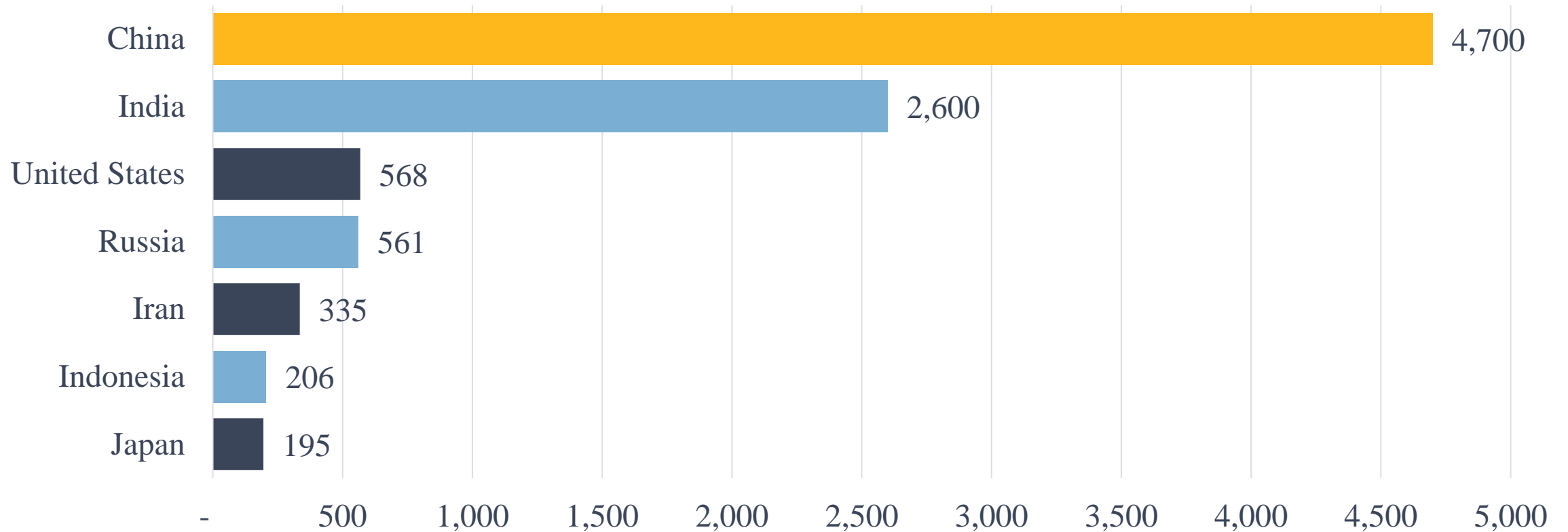
Favorable Demographics

Share of World Population (2022)



Education

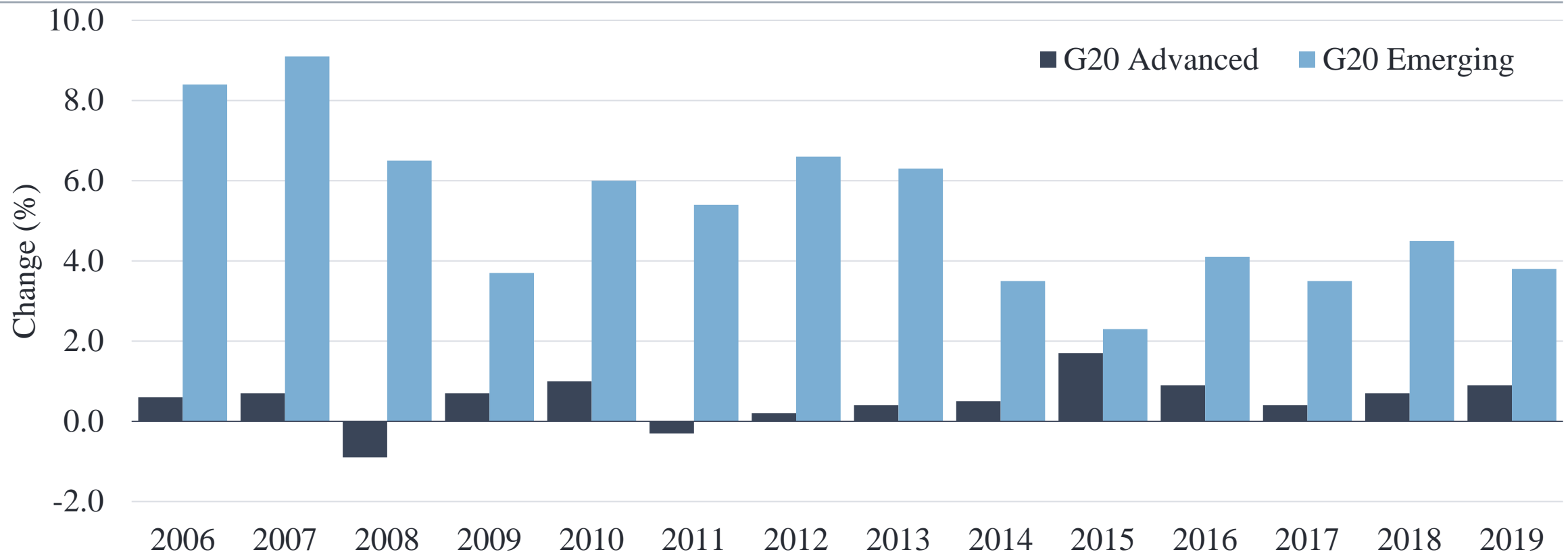
Countries with the Most STEM Graduates (thousands)



Source: Statista as of 2018. Graph is presented for illustrative purposes only and should not be relied on to make an investment decision.

Income Growth

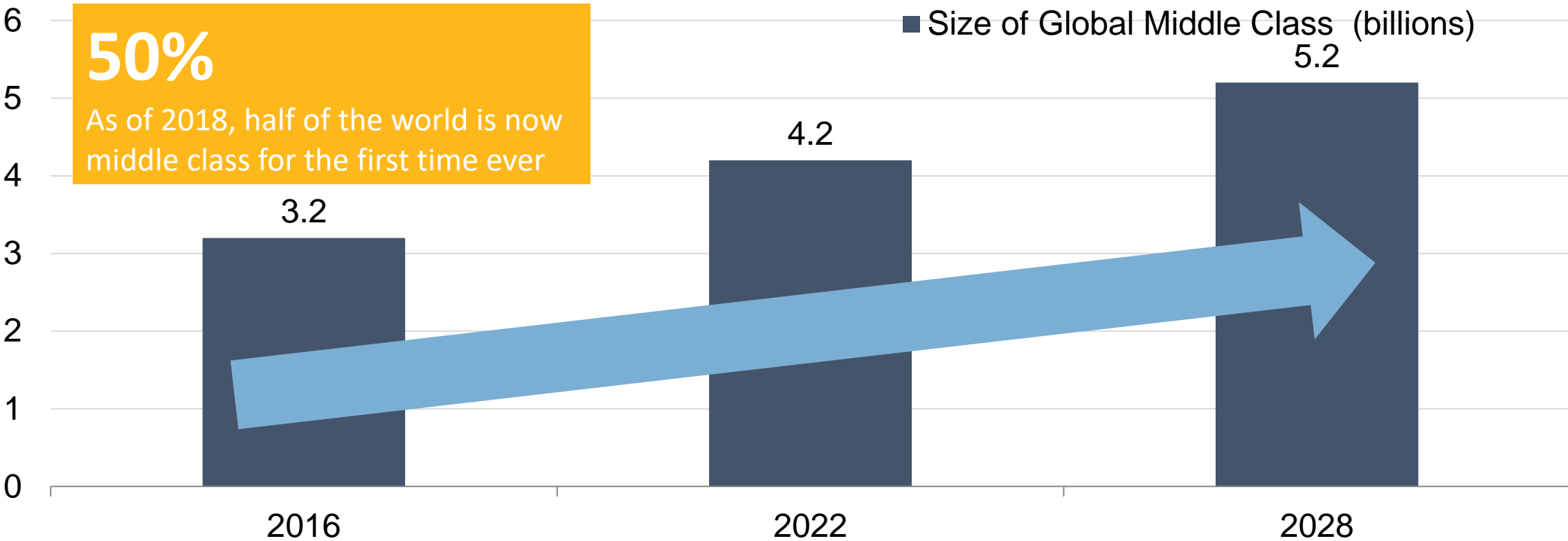
Annual average real wage growth in the G20 countries



Source: ILO Global Wage Report 2020- 2021. Graph is presented for illustrative purposes only and should not be relied on to make an investment decision.

Growth of the Middle Class

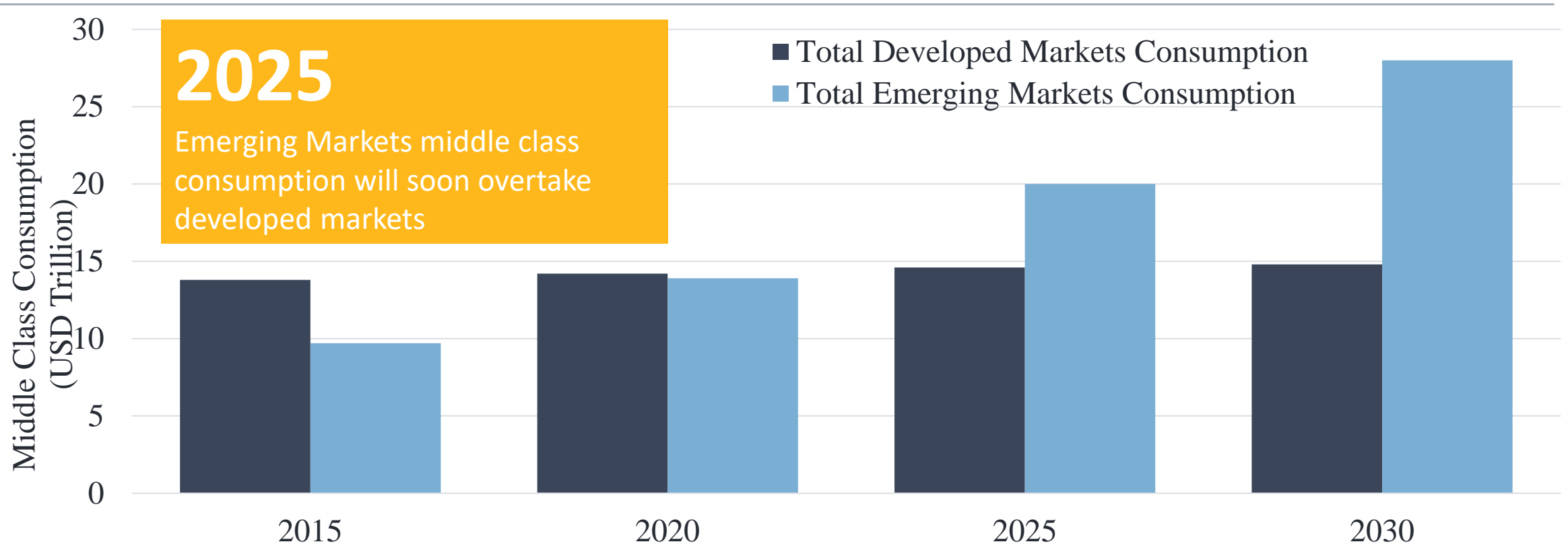
Global Middle Class



Source: Brookings. <https://www.brookings.edu/research/the-unprecedented-expansion-of-the-global-middle-class-2/>
<https://www.brookings.edu/blog/future-development/2018/09/27/a-global-tipping-point-half-the-world-is-now-middle-class-or-wealthier/>
Graph is presented for illustrative purposes only and should not be relied on to make an investment decision.

Meaningful Consumption Growth

Growing Consumption



New Big Spenders

Economic Drivers of the Past

Abundant reserves of oil, precious metals or other commodities



Cheap manufacturing hubs with affordable labor



Produce domestically for sale abroad

Economic Drivers of Today

Domestic Consumption



Technology



Produce domestically for sale abroad & domestically

Big Consumers of US Products

Coca Cola: Worldwide Unit Case Volume (2021)



North America
18%



Latin America
27%

Europe, Middle
East & Africa
29%

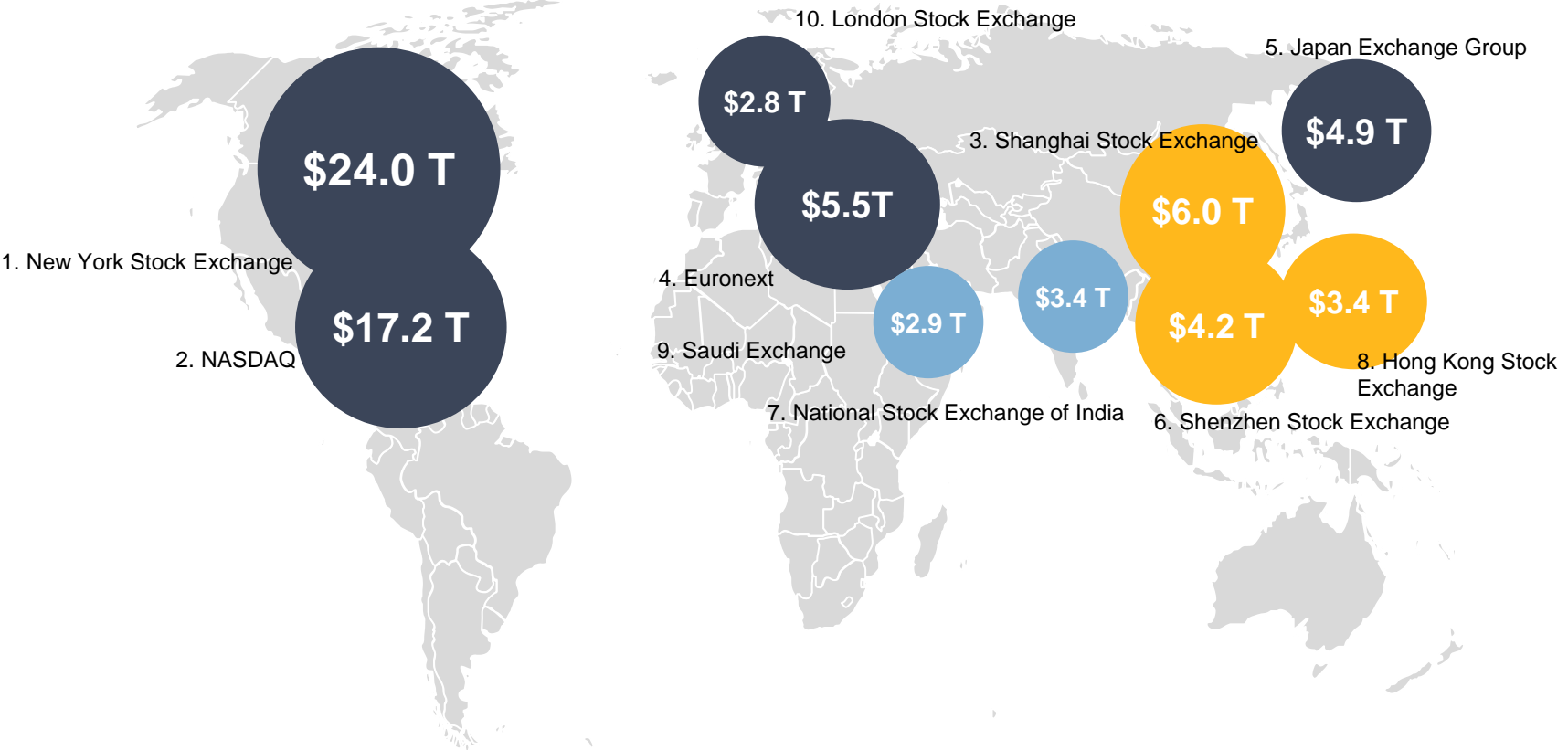
Asia Pacific
23%



**EQUITY MARKETS WITHIN EMERGING
MARKETS HAVE ALSO EVOLVED**

Stock Market Growth: Market Capitalization

10 Largest World Stock Exchanges by Market Capitalization

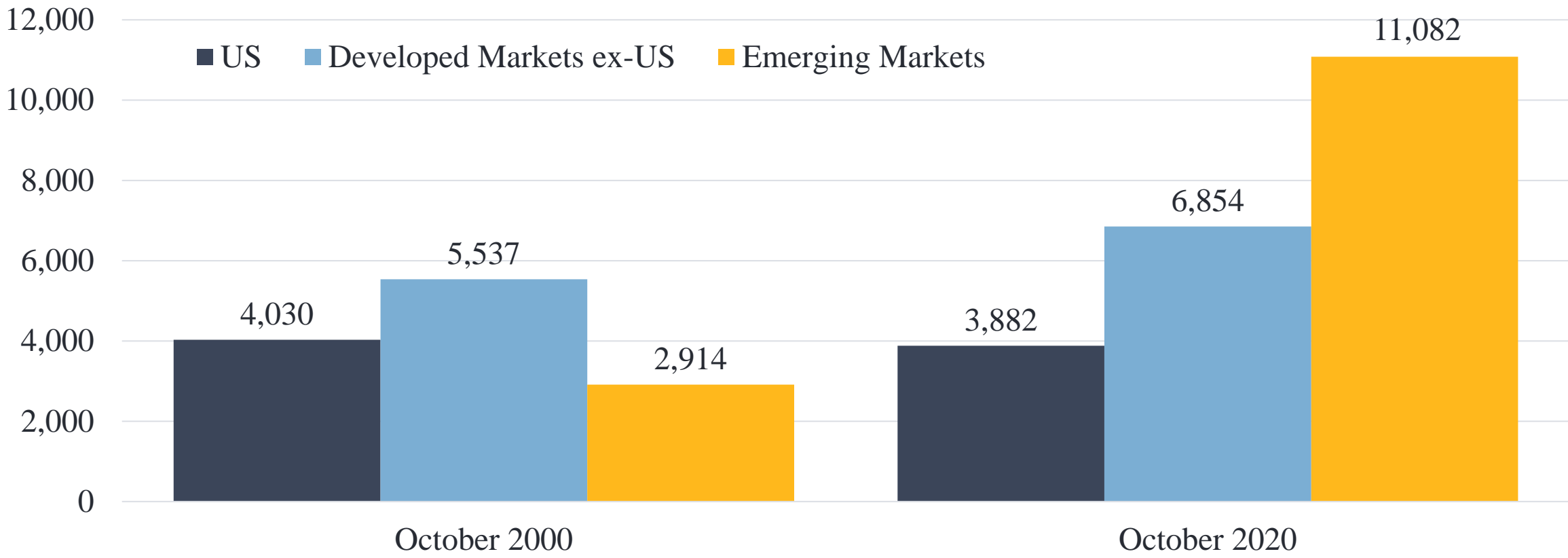


\$13.6T
The three Chinese Exchanges together represent \$13.6T in market capitalization

Source: World Federation of Exchanges as of October 31, 2022

Stock Market Growth: Number of Stocks

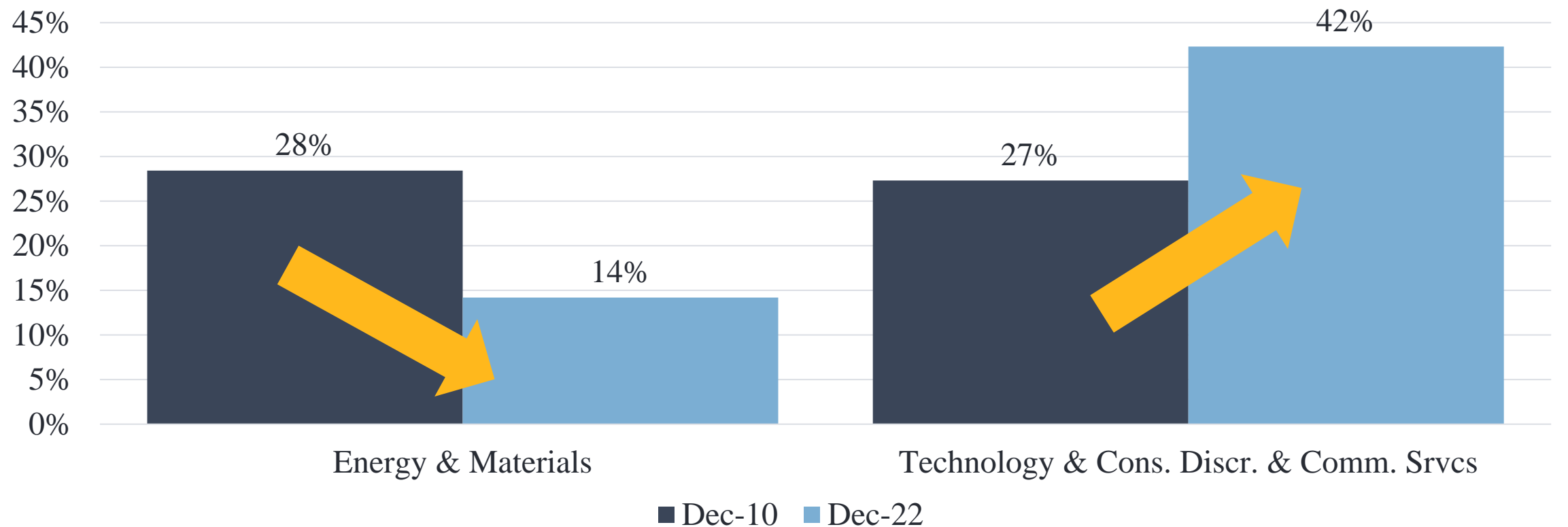
Stock Universe: 2000 vs 2020



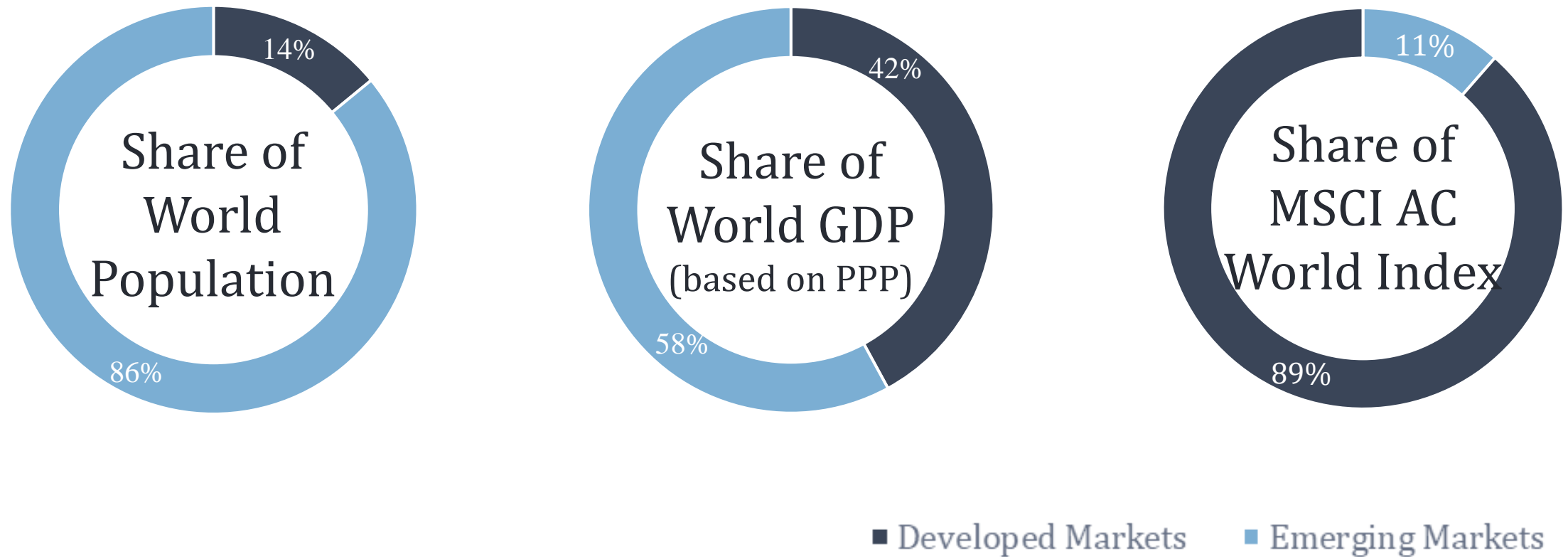
Source: MSCI, FactSet as of October 31, 2020. Developed and Emerging Market country definitions based on MSCI classifications. Graph is presented for illustrative purposes only and should not be relied on to make an investment decision. Past performance are not an indicator of future performance.

Market Leadership Has Changed

Select Sectors of the MSCI Emerging Markets Index



Emerging Markets are Underrepresented in Global Indices

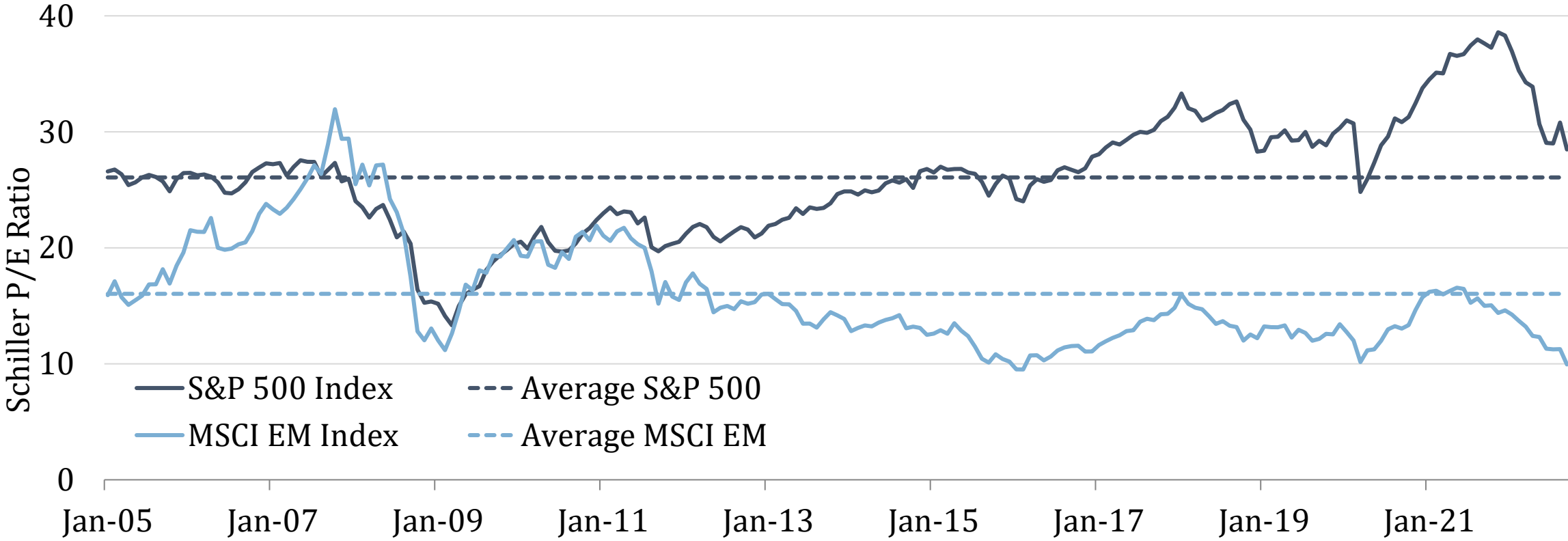




**RECENT HURDLES HAVE CREATED
OPPORTUNITIES**

Valuations Remain Attractive

Shiller P/E Ratio: Emerging Markets vs. Developed Markets



Source: Bloomberg as of September 30, 2022. Averages are calculated from Jan 2005 – Sep 2022. Past performance is not an indicator of future performance. Graphs are presented for illustration purposes only and should not be relied on to make an investment decision.

Closing Thoughts

While Emerging Markets have recently faced hurdles, the opportunity for the asset class remains attractive

- Emerging Markets have grown
- Equity markets within Emerging Markets have also evolved
- Further opportunities have arisen from recent hurdles

Additional Notes & Disclosures

This presentation has been provided for informational purposes only and shall not constitute an offer to sell or the solicitation of any offer to buy which may only be made at the time a qualified investor receives a final confidential private offering memorandum (the "Fund Documents") describing an opportunity to invest with ABS (a "Fund", including ABS EM). In the event of any inconsistency between this presentation and any of the Fund Documents, the Fund Documents will govern. This presentation being provided to a prospective investor does not guarantee an investor's qualification for an investment in the Fund or the Fund's capacity for its investment. Such criteria may only be determined upon completion of the Subscription Material for the Fund. Investments in any Fund will be suitable only for certain financially sophisticated investors who have no need for immediate liquidity in their investment and can bear the risk of an investment in the Funds for an extended period of time. There is no secondary market for interests or shares in the Funds and none is expected to develop. There are also restrictions on transferring interests or shares and withdrawing or redeeming interests or shares from the Funds. The information herein is not intended to provide, and should not be relied upon for, accounting, legal or tax advice or investment recommendations. You should make an independent investigation prior to investing with ABS, including consulting your tax, legal, accounting, or other advisors about the matters discussed herein. Information pertaining to our processes is subject to change at any time without notice. In cases where estimates or other materials not originated by ABS have been used, they have been obtained from sources believed to be reliable but ABS has presented these items "as is" and has undertaken no independent verification and makes no warranties with regard to their accuracy. Past returns are not an indicator of future performance.



CONTACT

RELATIONSHIP MANAGEMENT TEAM

ir@absinv.com

USA

537 Steamboat Road
4th Floor
Greenwich, CT 06830
203-618-3700

ZURICH

HONG KONG

www.absinv.com