

WHAT ARE EMERGING MARKETS & WHERE DO THEY FIT IN YOUR PORTFOLIO?

Agenda

- What are emerging markets?
- Why consider emerging market investments?
 - Too big to ignore
 - Transformations create opportunities
 - Attractive valuations

What is an Emerging Market?

A country that is transitioning from a low income, often pre-industrial economy toward a modern industrial economy with higher standard of living.

Different Index Provider Definitions

MSCI

- China: 28%
- Taiwan: 20%
- India: 9%
- Korea: 9%
- S. Arabia: 4%
- Brazil: 4%
- S. Africa: 3%
- Mexico: 2%
- Malaysia: 2%
- Indonesia: 1%
- Thailand: 1%
- UAE: 1%
- Qatar: 1%
- Poland: 1%
- Kuwait: 1%
- Turkey: 1%
- Philippines: 1%
- Greece: 0%
- Chile: 0%
- Peru: 0%
- Hungary: 0%
- Czech Rep.: 0%
- Colombia: 0%
- Egypt: 0%

FTSE

- China: 31%
- India: 22%
- Taiwan: 20%
- S. Arabia: 5%
- Brazil: 4%
- S. Africa: 3%
- Mexico: 2%
- Malaysia: 2%
- Thailand: 2%
- UAE: 2%
- Indonesia: 2%
- Turkey: 1%
- Qatar: 1%
- Kuwait: 1%
- Philippines: 1%
- Greece: 1%
- Chile: 1%
- Hungary: 0%
- Czech Rep.: 0%
- Romania: 0%
- Colombia: 0%
- Iceland: 0%
- Egypt: 0%

JPM EMBI

- S. Arabia: 6%
- Mexico: 6%
- Turkey: 5%
- Indonesia: 5%
- UAE: 5%
- Indonesia: 5%
- Qatar: 4%
- Brazil: 3%
- Philippines: 3%
- Chile: 3%
- Poland: 3%
- Oman: 3%
- Colombia: 3%
- Dom. Rep. : 3%
- Argentina: 3%
- S. Africa: 3%
- Egypt: 3%
- Romania: 3%
- Peru: 3%
- Panama: 3%
- Bahrain: 3%
- Hungary: 3%
- Uruguay: 2%
- Nigeria: 2%
- Malaysia: 1%
- Ecuador: 1%
- Ukraine: 1%
- Angola: 1%
- Costa Rica: 1%
- Other: 12%

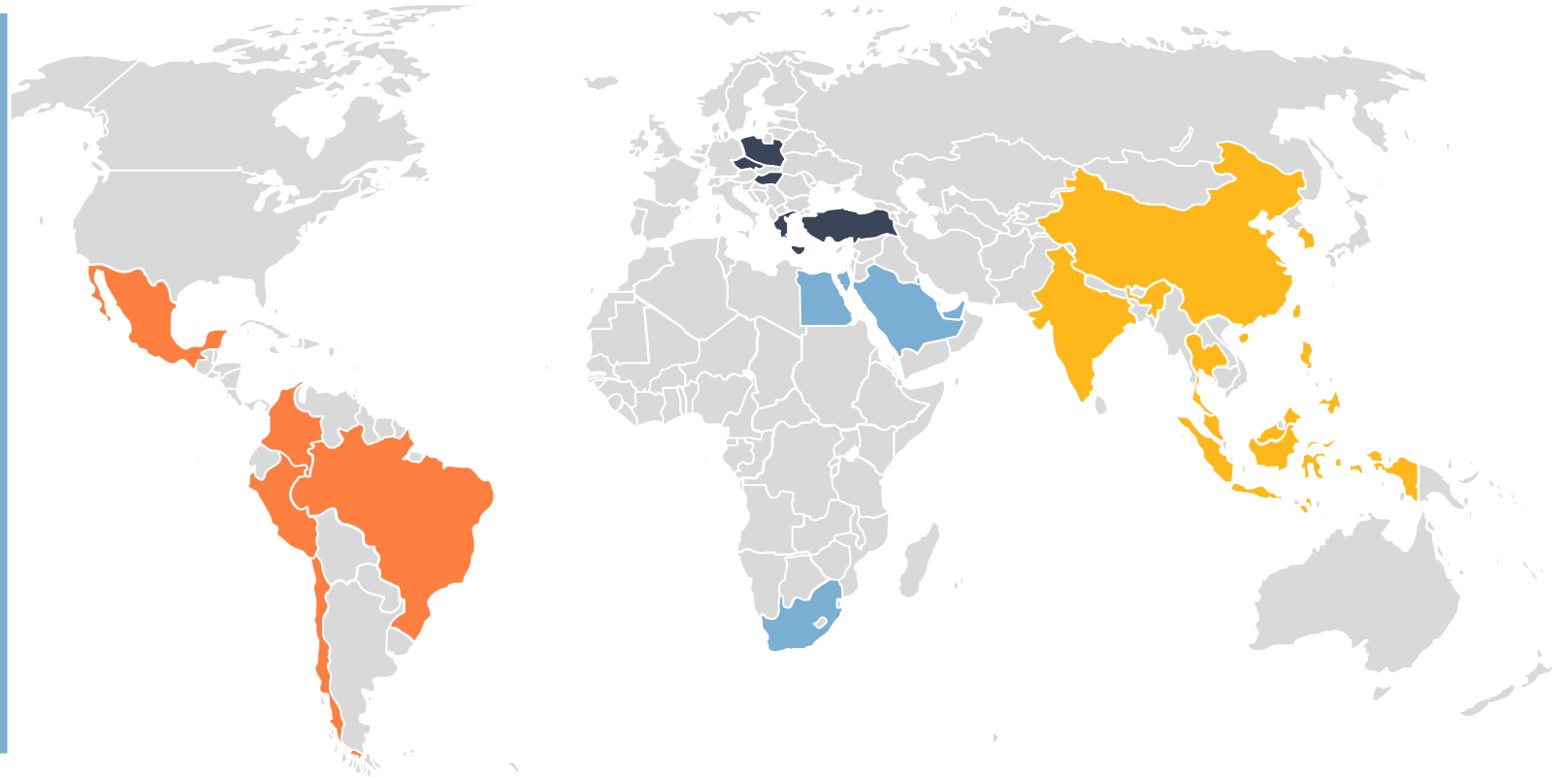
No Such Thing as One Emerging Markets

24 Countries

5 Continents

16 Languages

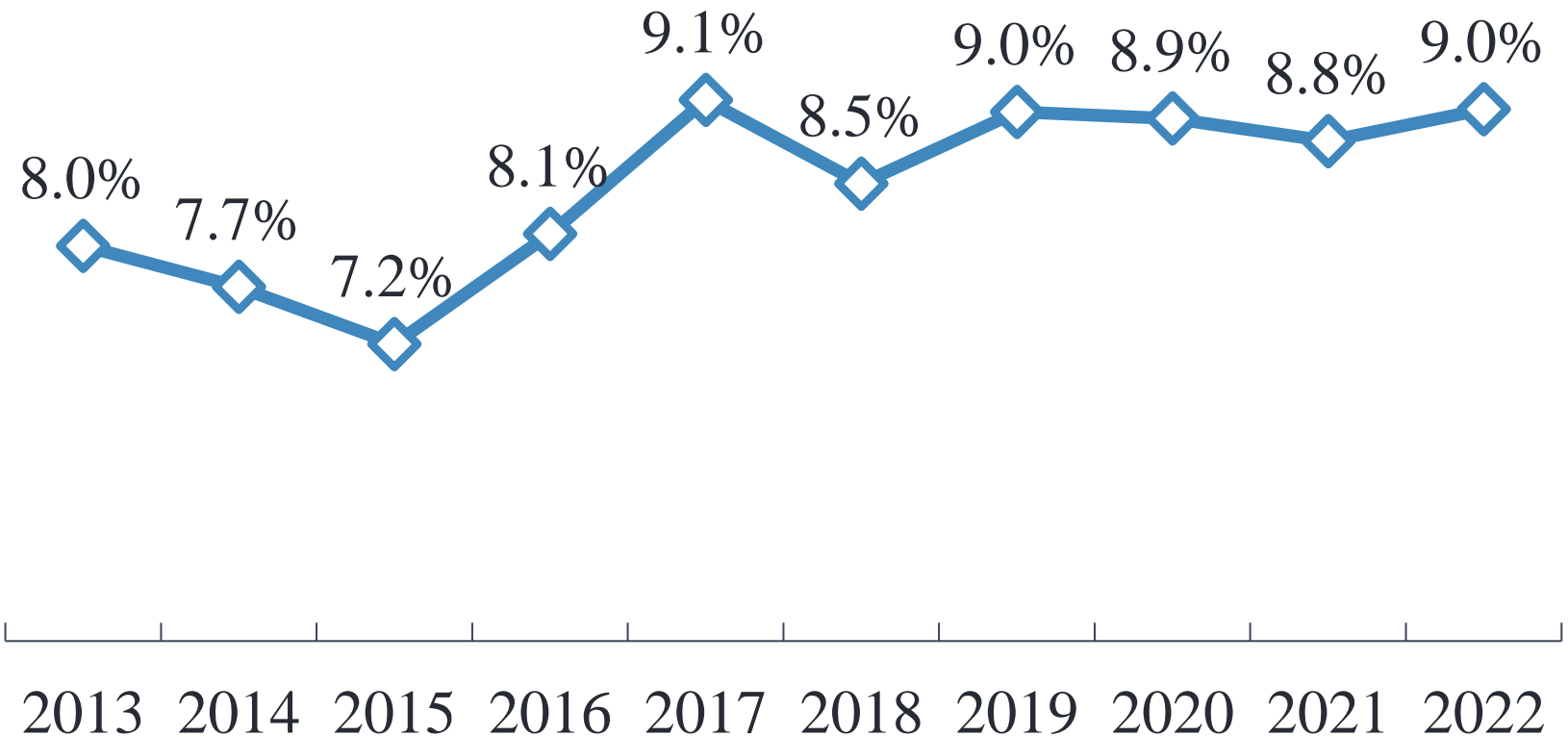
- Different economies
- Different politics
- Different market dynamics
- Different regulations
- Different types of transformations



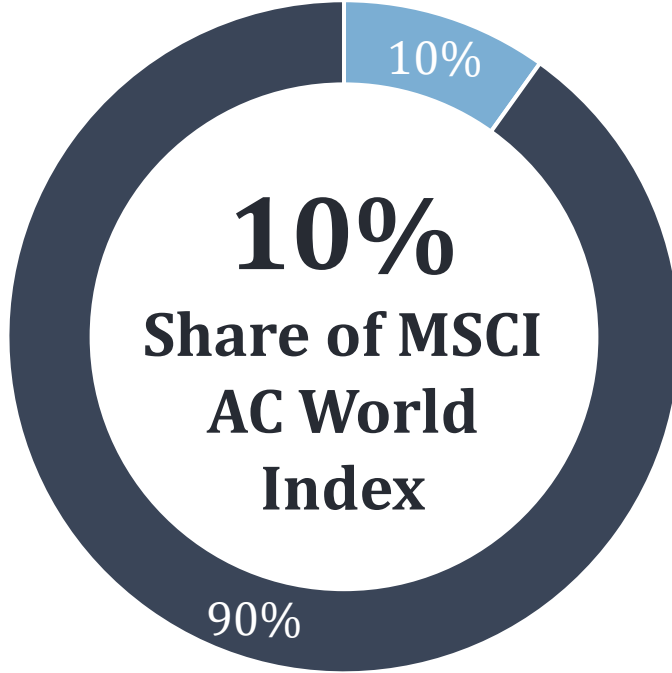
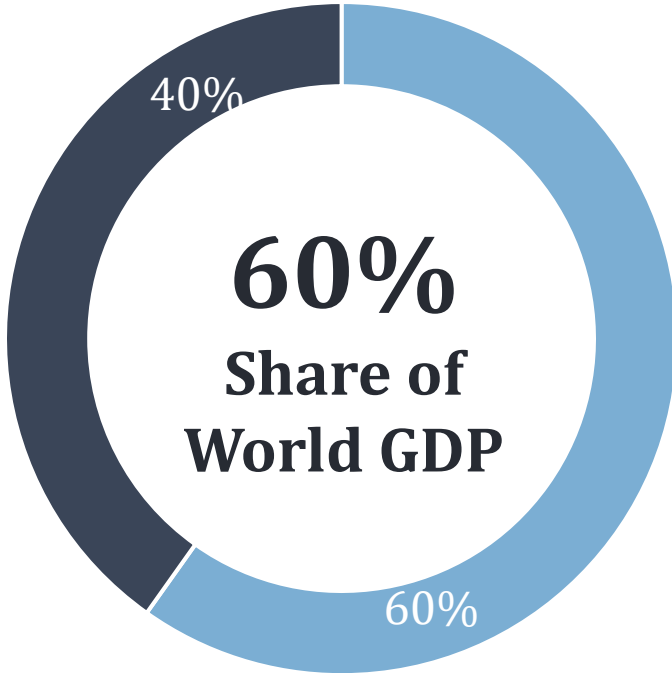
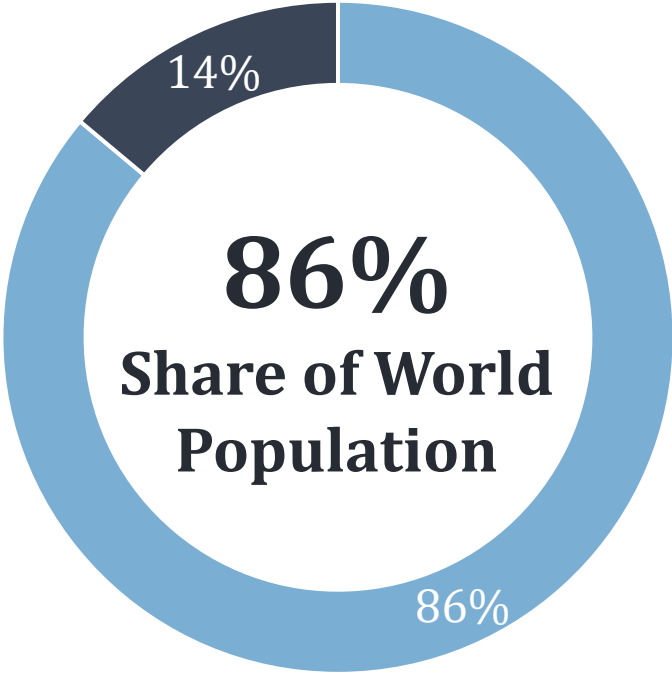
Why Consider an Investment in Emerging Markets?

Why Are Emerging Markets a Staple in Investor Portfolios?

EM as % of Total Pension Equity Allocation



Too Big to Ignore

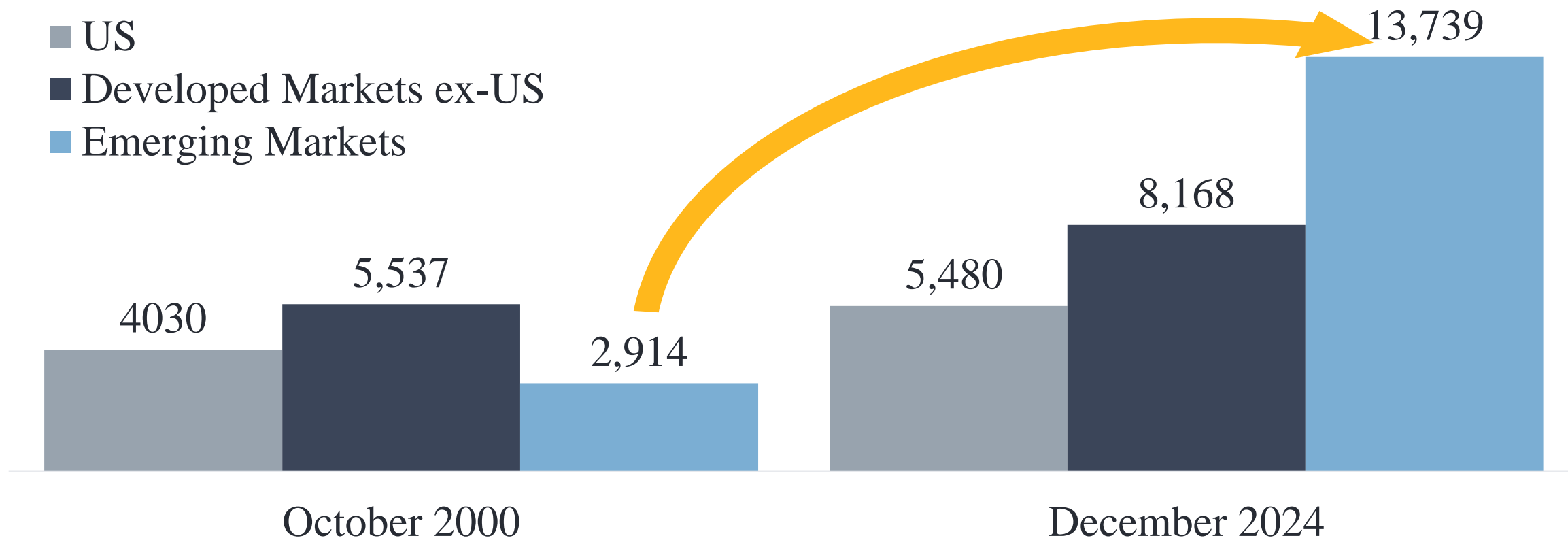


■ Developed Markets ■ Emerging Markets

Source: IMF Datamapper 2024 Estimates for population and GDP as of October 2024. MSCI data as of December 31, 2024. Developed and Emerging Market country definitions based on MSCI classifications for Share of MSCI AC World Index and based on IMF for Population and Share of Global GDP. Graph is presented for illustrative purposes only and should not be relied on to make an investment decision.

Equity Market Growth Has Also Been Meaningful

Stock Universe: 2000 vs 2024



Source of October 2000 Data: MSCI, FactSet as of October 31, 2000. Includes all stocks by country with market caps over \$100M as of 10/31/2000. Source of December 2024 Data: MSCI, Bloomberg. Data based on Bloomberg EQS screen that includes all stocks by country with market caps over \$100M as of December 31, 2024. 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.

Transformation Creates Opportunities



**Transformation,
Emergence &
Growth**

**Domestic
Consumption**

**Opportunities
for Businesses**

Reforms Help Along the Way

Indonesia: Transformation of the Grocery Retail Market

Traditional Markets

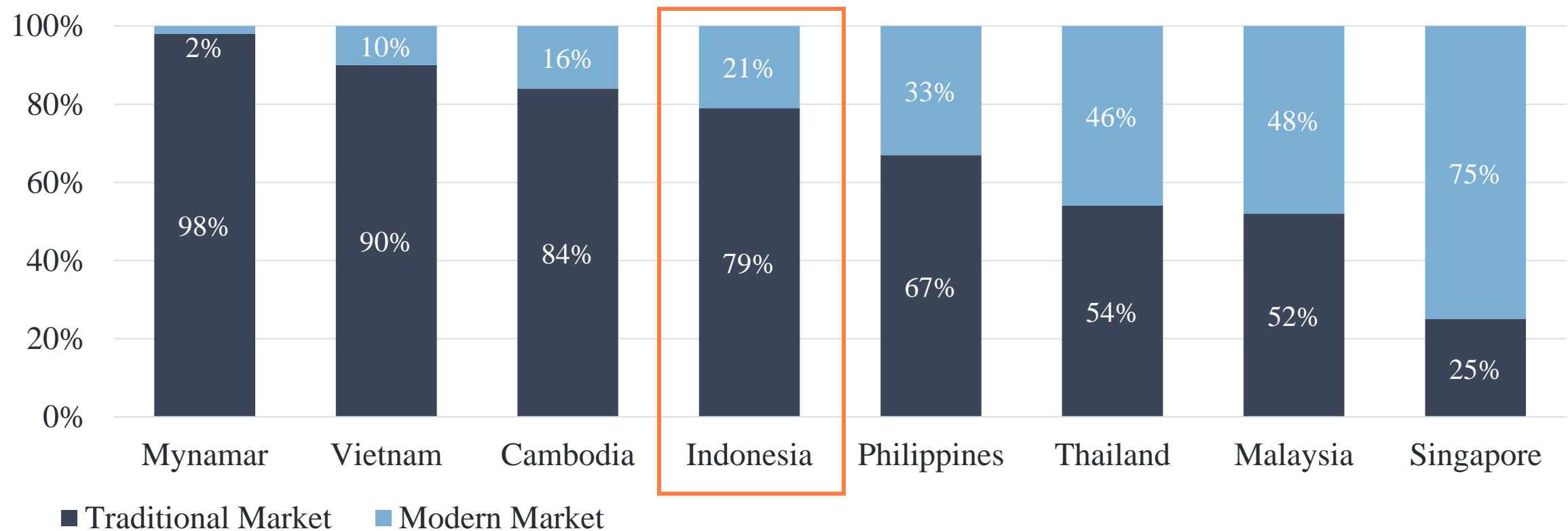


Modern Markets



Indonesia: Transformation of the Grocery Retail Market

Grocery Retail Market by Format



Source: Statista and McKinsey & Company as of December 2022. Graph is presented for illustrative purposes only and should not be relied on to make an investment decision.

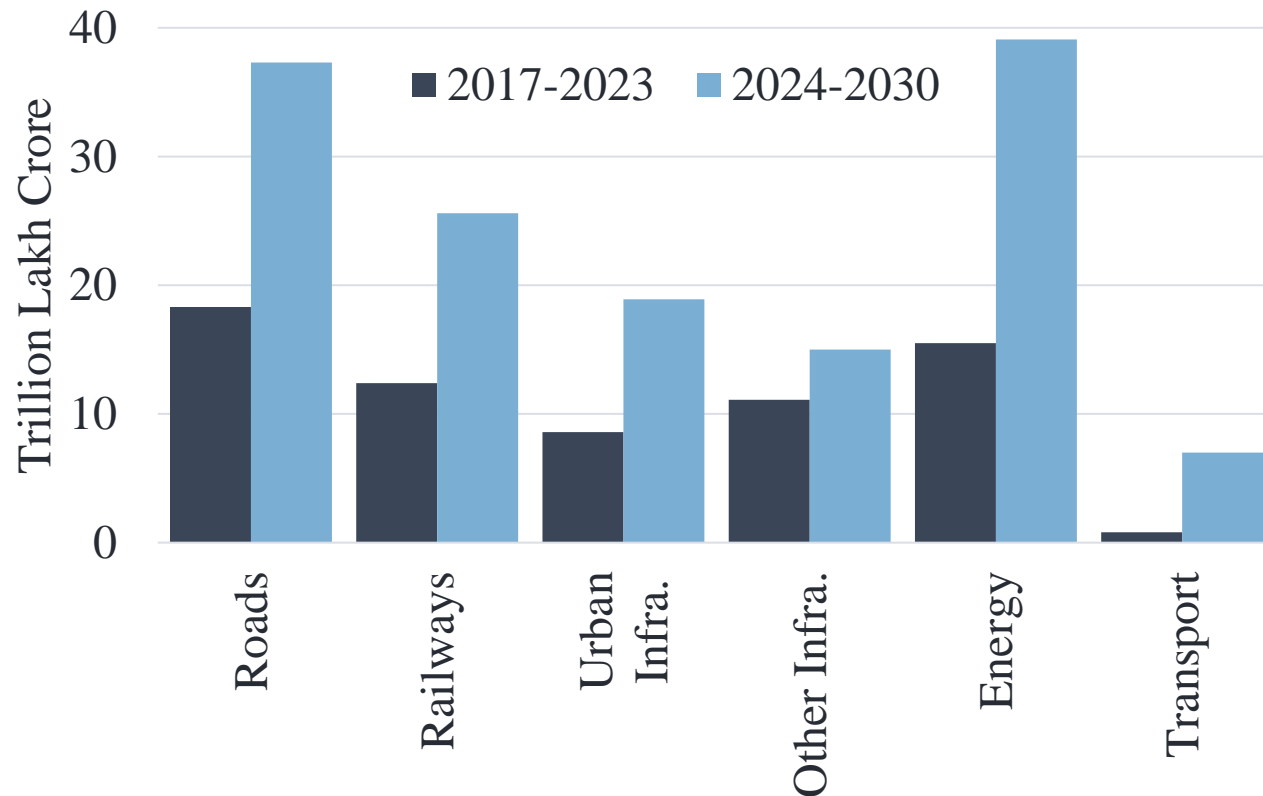
Saudi Arabia: Women Take the Wheel



Saudi Arabia's **2.5 million** female drivers are expected to increase car sales by **9%** per year through 2025

India: Infrastructure Boom

India's Infrastructure Investment



Infrastructure spending to double growing from Rs 66.7 to Rs143 lakh crore

What About Risks?

Geopolitical

Economic

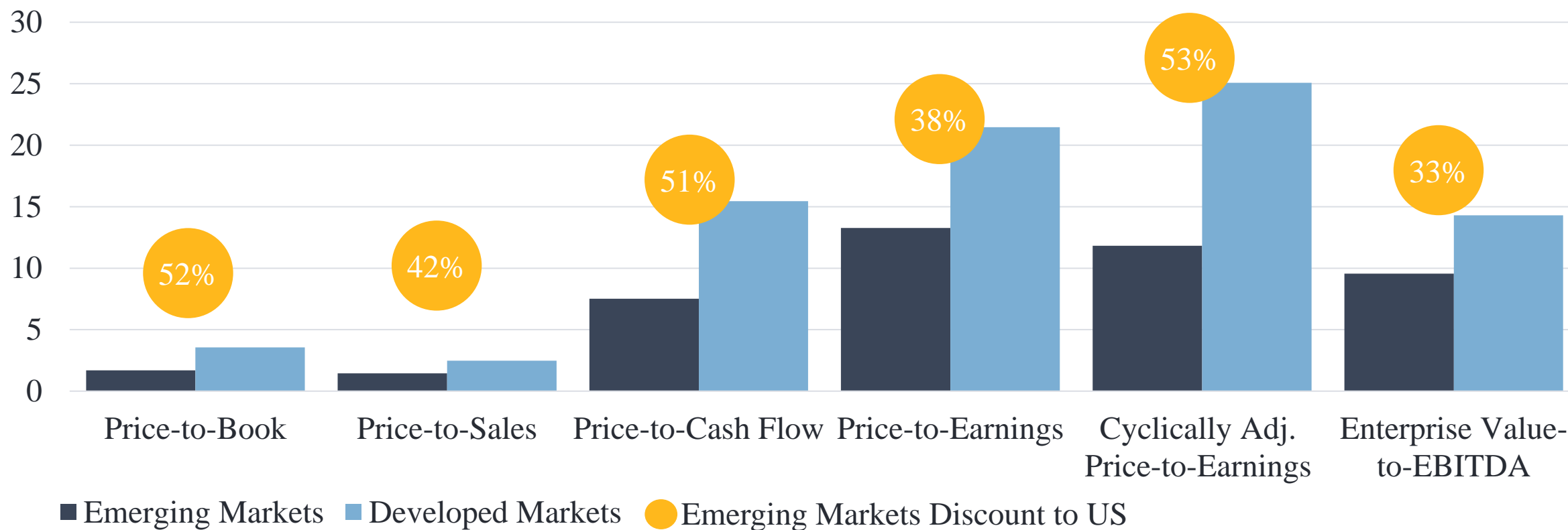
Political

Regulatory

Other

Valuations Remain Attractive

Cheap Across Multiple Valuation Metrics



Source: Bloomberg as of December 20, 2024. Averages are calculated from Jan 2005 – Dec 2024. 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.

Diversification in the Context of Global Portfolio



Accessing the Emerging Market Opportunity

How to
access an
opportunity
this large,
diverse and
complex?

Different Investment Approaches

Passive

Traditional
Global EM
Active
Management

Local
Specialist
Active
Management

Closing Thoughts

- Emerging markets are a collection of 24 countries going through meaningful transformations
- These countries are too large to ignore
- Their structural transformations generate unique and diverse investment opportunities
- Attractive valuations make the opportunity especially compelling today

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.

ABS Investment Management LLC ("ABS") is doing business as "ABS Global Investments". ABS is a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended. Registration with the SEC does not imply any specific skill or acumen.

Submission ID: 4160160



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