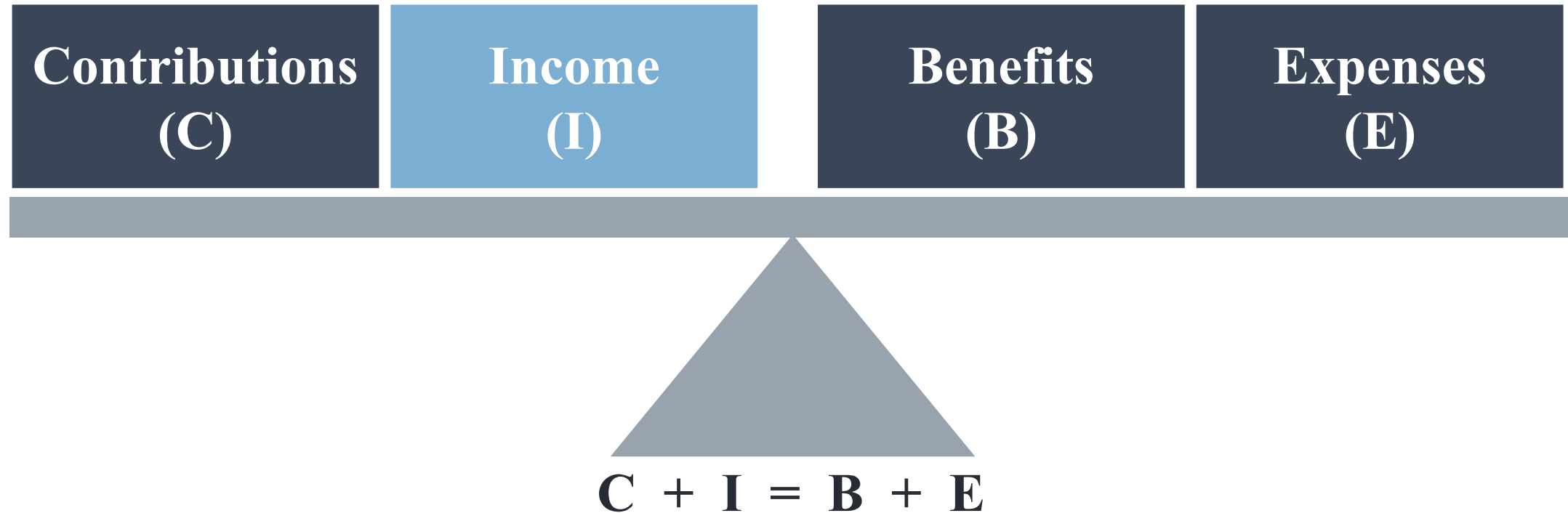


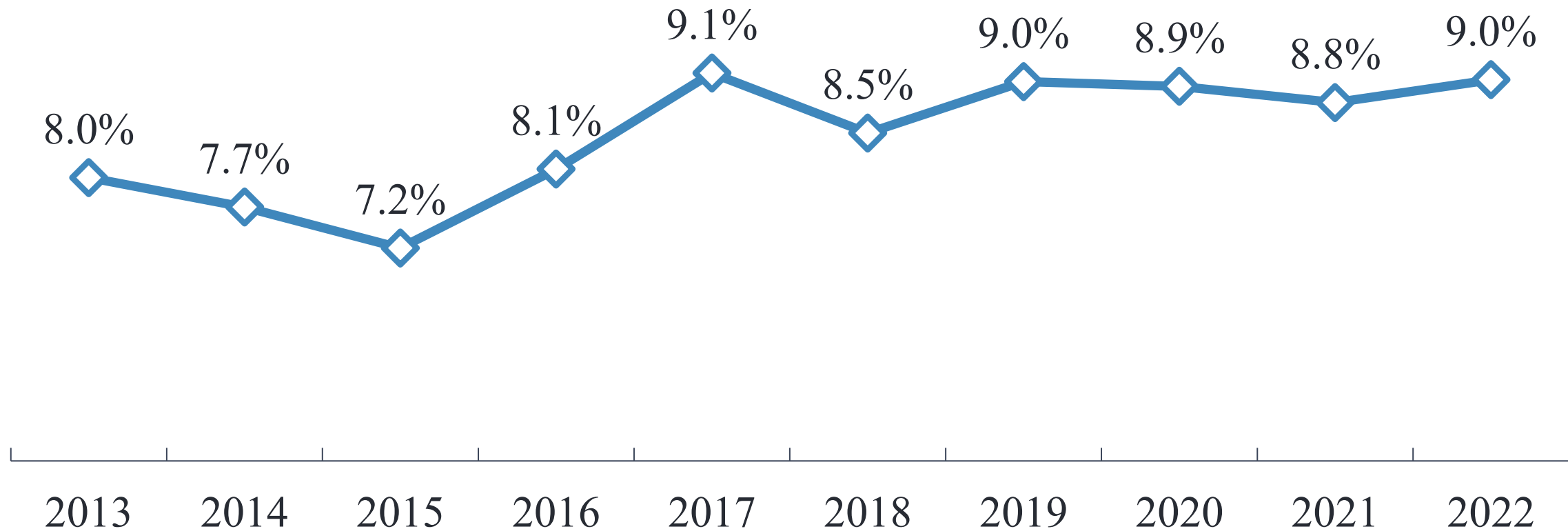
# EMERGING MARKETS IN YOUR PORTFOLIO

# The Fundamental Equation of Pension Plan Financing



# A Steady Presence in Pension Investment Portfolios

## Emerging Markets Equity as % of Total Pension Equity



# Agenda

**Why Invest in  
Emerging Markets?**

**When to Invest?**

**How Do These  
Opportunities Translate into  
Equity Markets?**

**How to Access These  
Opportunities?**



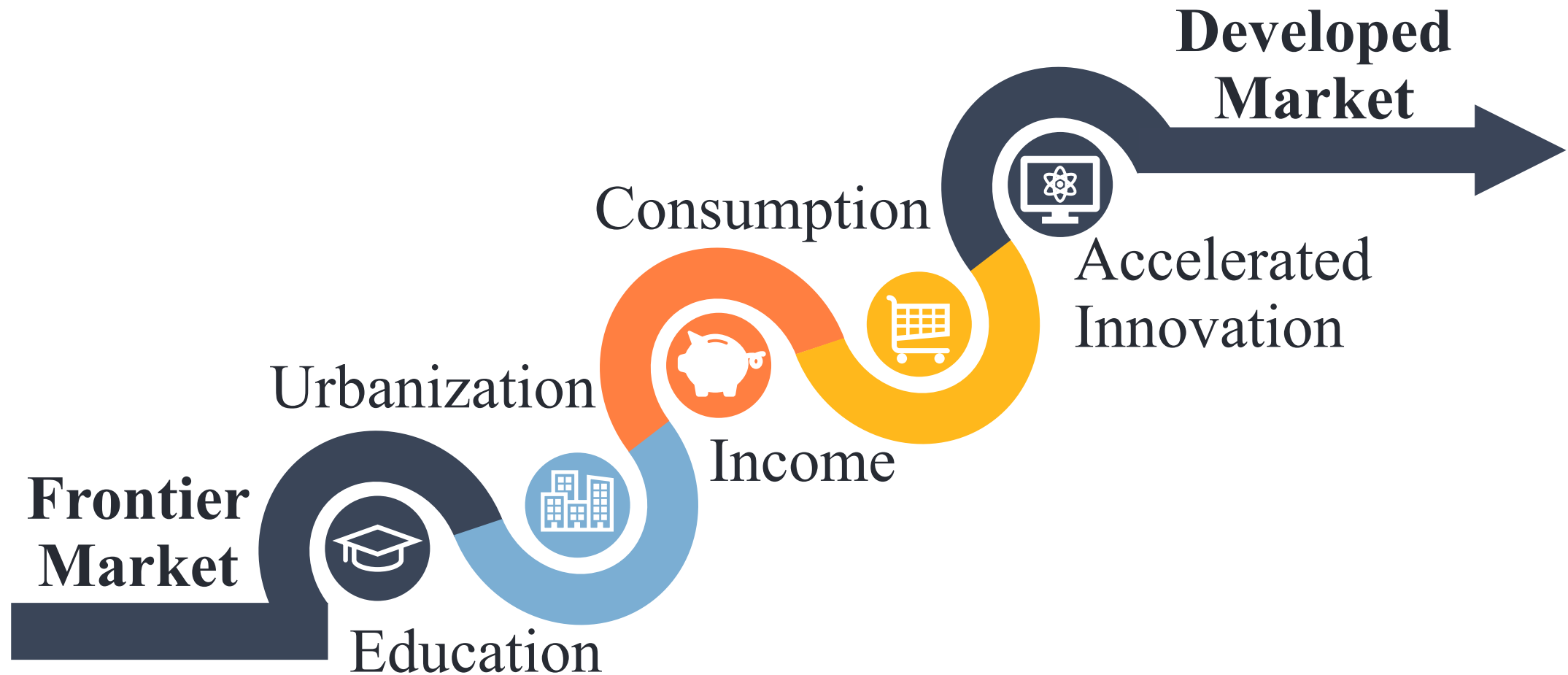
# **WHY INVEST IN EMERGING MARKETS?**

# Why Invest in Emerging Markets?

## Emerging Markets

It's in the name: Emerging Markets are transforming. These structural shifts can create long-lasting opportunities for businesses and investors.

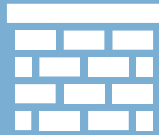
# Transformation on the Path to Development



# Structural Transformations: Key Traits



Long-Term  
in Nature



Slow to  
Reverse



Shape  
Productivity  
and Growth



Cross-Cuts  
across  
Industries



# 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



# Indonesia: Transformation of the Grocery Retail Market

## Traditional Markets



**76%** of grocery sales in Indonesia vs.  
**25%** for Asian Developed Markets

## Modern Markets



Sources: USDA, Euromonitor International as of October 3, 2024. Graphs are presented for illustration purposes only and should not be relied on to make an investment decision. Past performance is not a guarantee of future results.



# India: Leapfrogging into Quick Commerce

## Traditional Markets

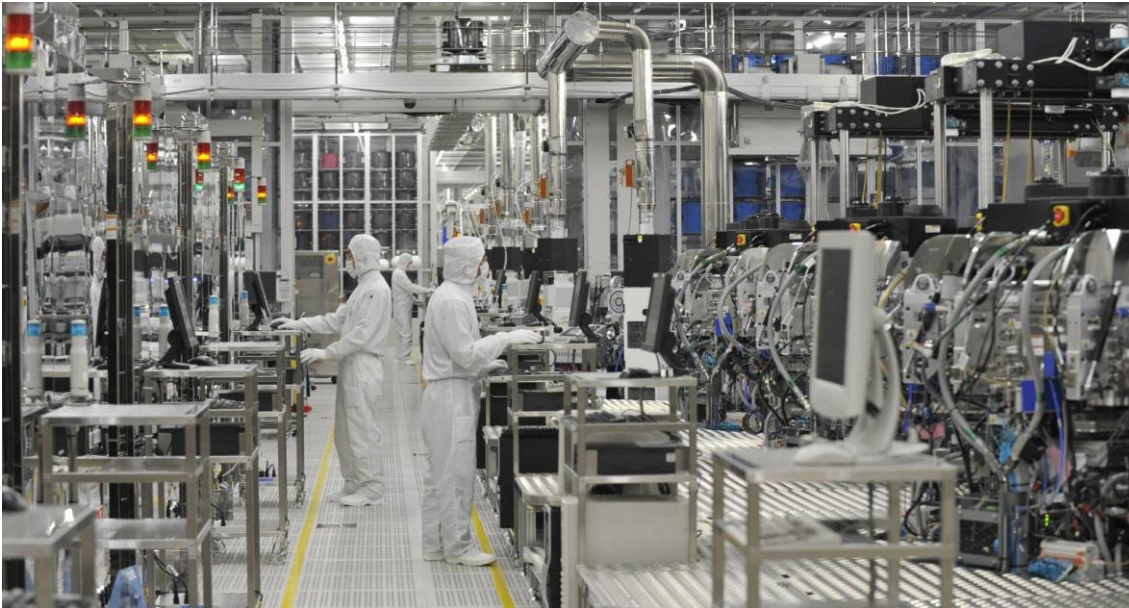


## Ultra-Modern Quick Commerce

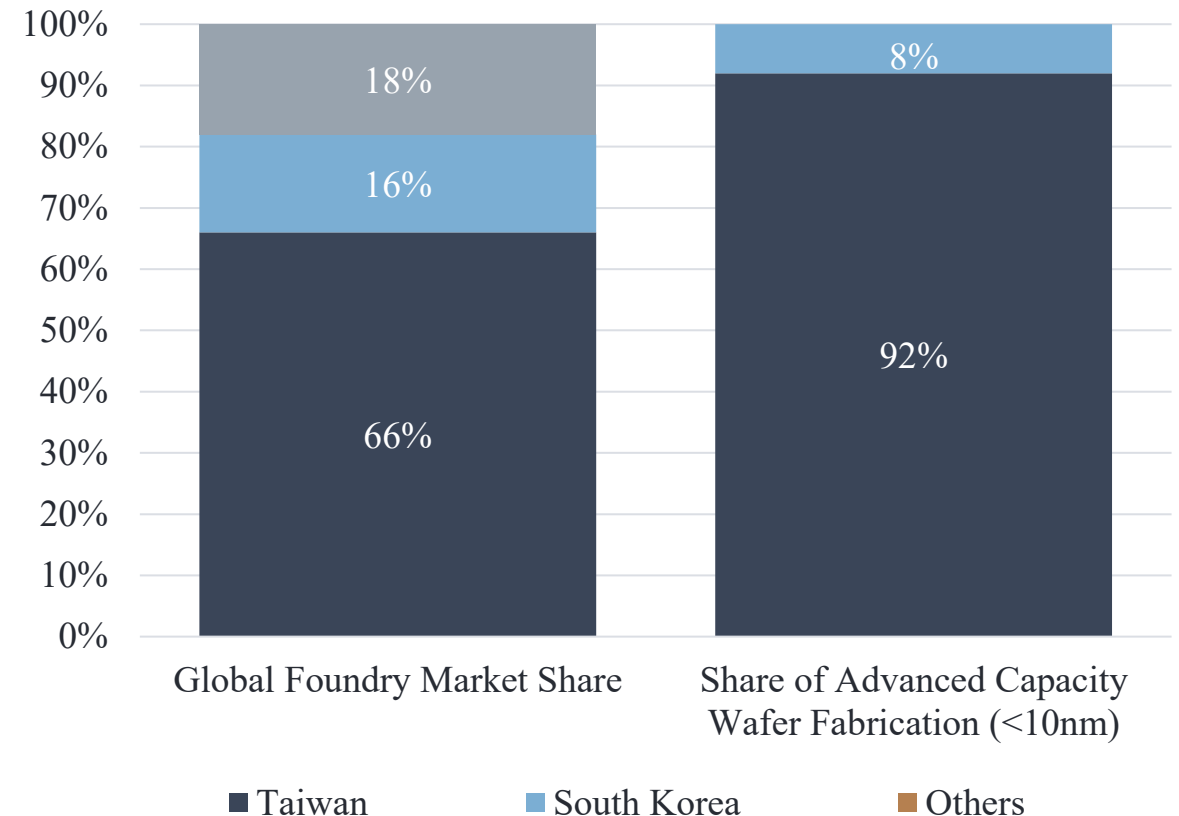


Over 67% of all e-grocery orders in 2024, 10% of all retail dollars

# Taiwan: Powering Global AI Transformation



**92%** of advanced chips  
are made in Taiwan

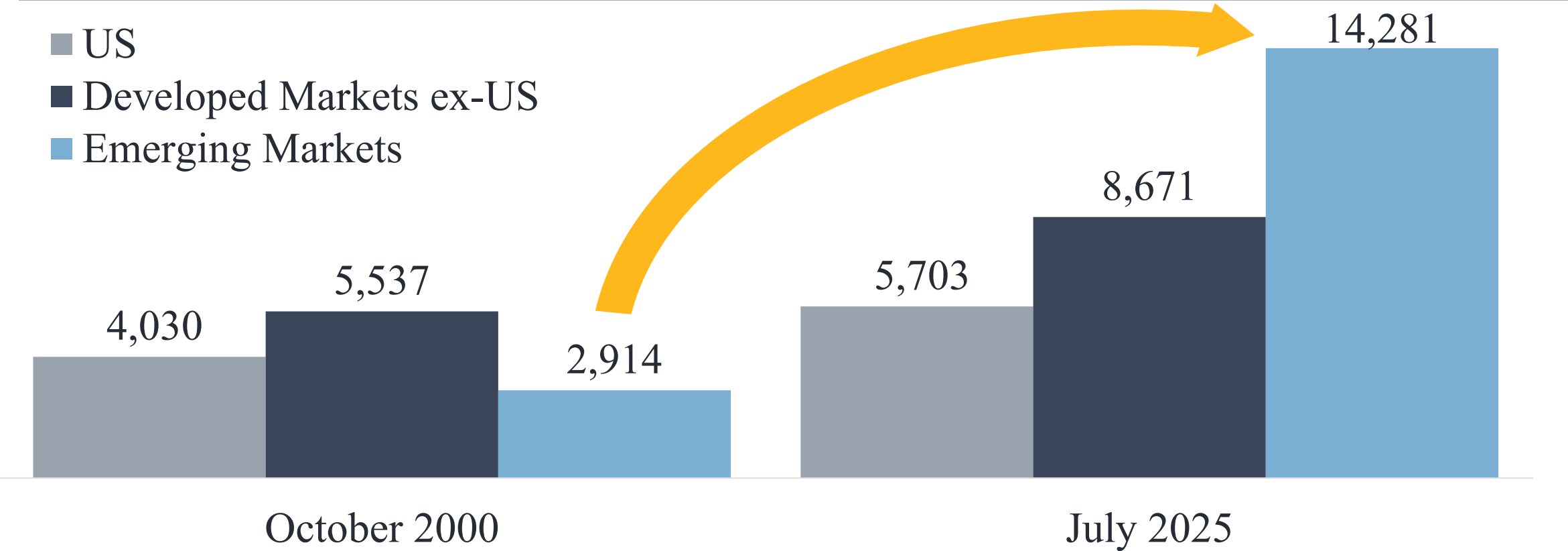




**HOW DO THESE OPPORTUNITIES  
TRANSLATE INTO EQUITY MARKETS?**

# Growth in the Market & Opportunity Set

## Number of Stocks in the Equity Universe

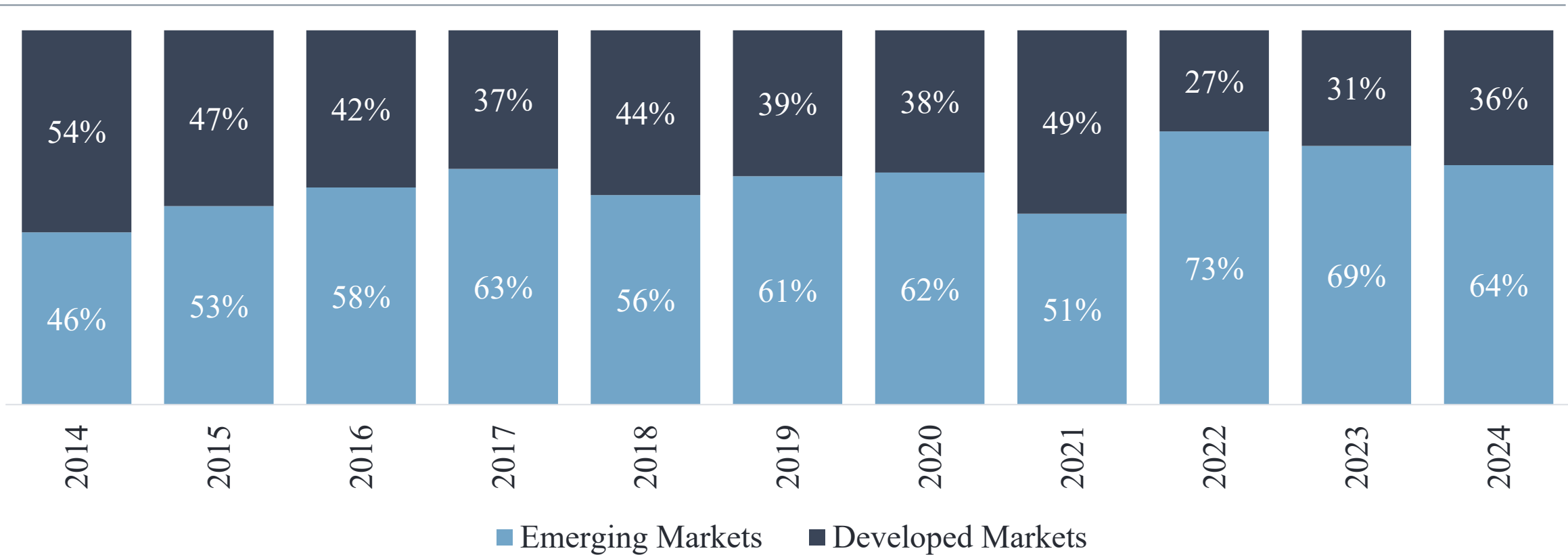


Source of October 2000 Data: MSCI, FactSet as of October 31, 2000. Includes all stocks by country with market caps over \$100M as of 10/31/2000. Source of July 2025 Data: MSCI, Bloomberg. Data based on Bloomberg EQS screen that includes all stocks by country with market caps over \$100M as of July 31, 2025. 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.



# Growth in the Market & Opportunity Set

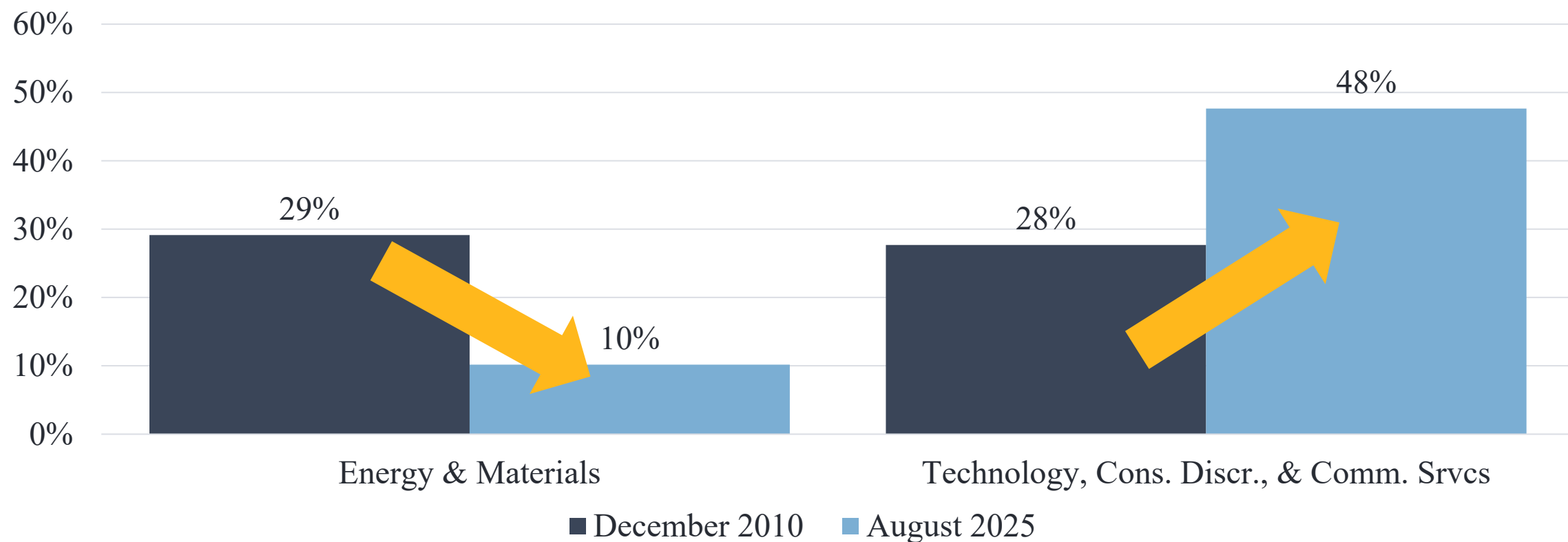
## Number of IPOs (%)



Source: EY analysis and Dealogic as of 2024. 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 Composition Has Changed

## Select Sectors of the MSCI Emerging Markets Index

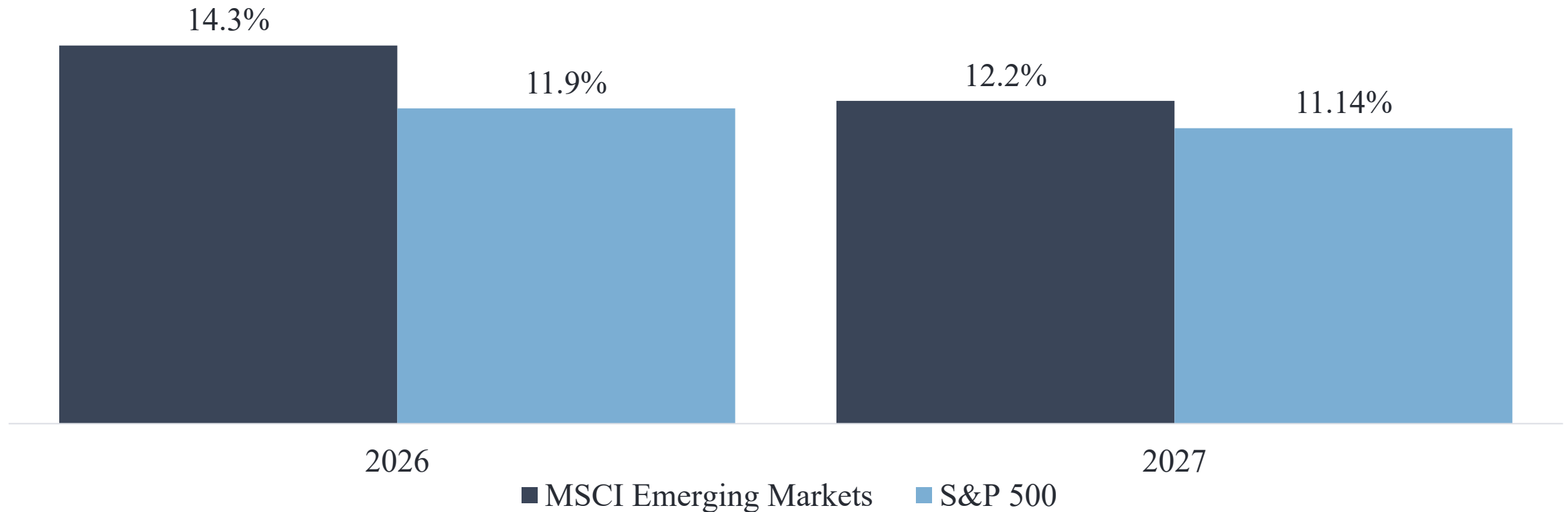


Source: Bloomberg and MSCI as of September 9, 2025. Graph is presented for illustrative purposes only and should not be relied on to make an investment decision. Past performance are not an indicator of future performance.



# Earnings Expectations Reflect Opportunities Ahead

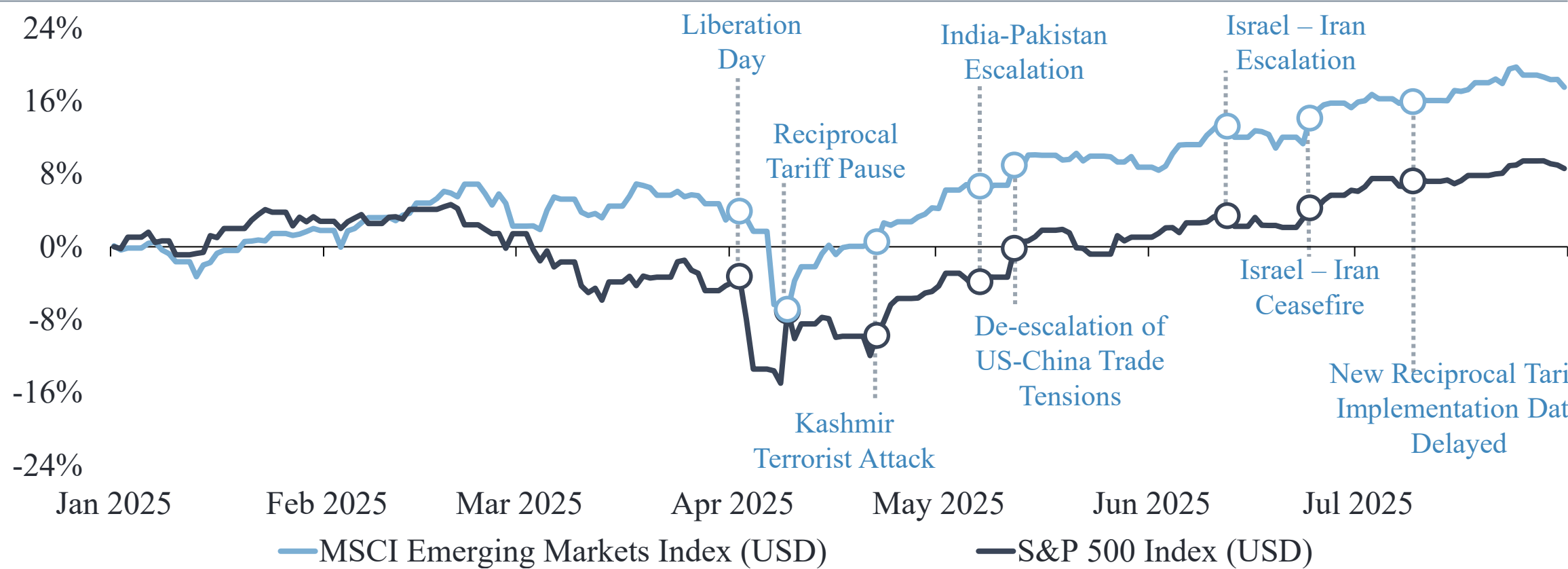
## Estimated EPS Growth



Source: Bloomberg as of September 2, 2025. Emerging Markets data reflects MSCI Emerging Markets Index. Developed Markets data reflects MSCI World Index. EM regions are as defined by the MSCI index. Consensus earnings projects reflect Bloomberg earnings consensus estimates as of December 20, 2024, as provided by the Bloomberg EEO function. 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.

# Strength & Resilience Amidst Geopolitical Uncertainty

## Performance: Emerging Markets vs US Equity



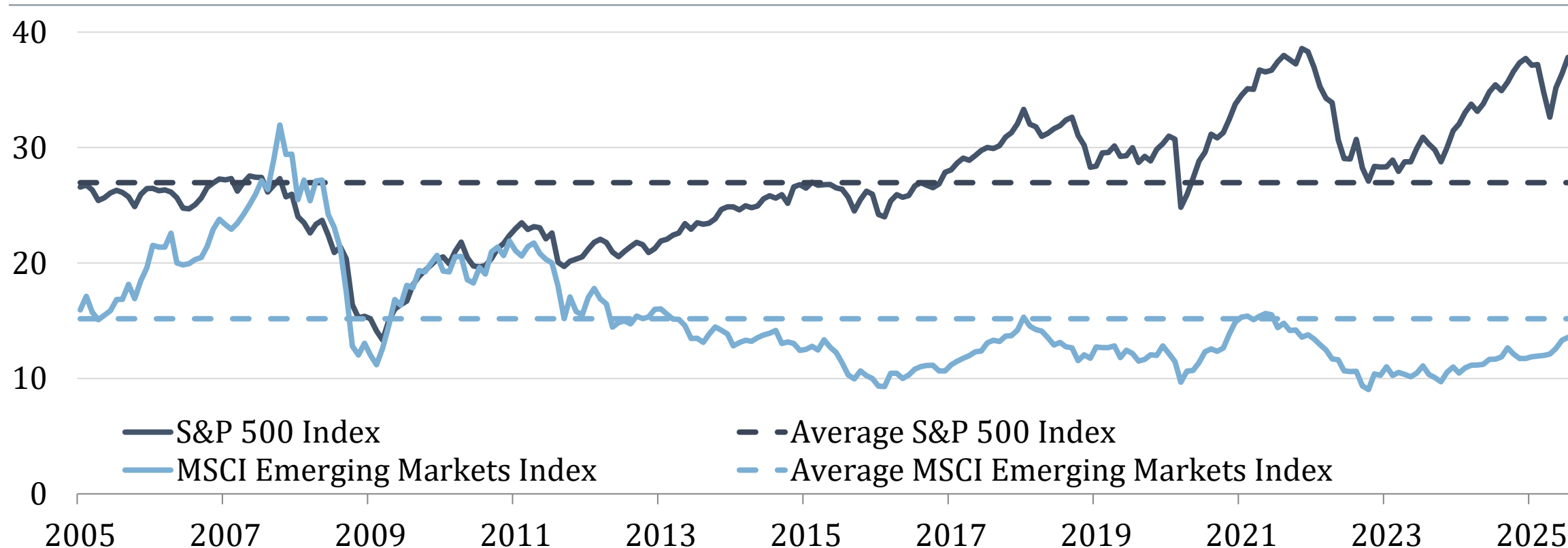
Source: Bloomberg and MSCI as of July 31, 2025. The indices above reflect the following indices: MSCI Emerging Markets Index (USD) (ticker: NDUEEGF), S&P 500 Index (USD) (ticker: SPXT). Past returns are not a guarantee of future results. Graphs are presented for illustration purposes only and should not be relied on to make an investment decision.



**WHEN TO INVEST?**

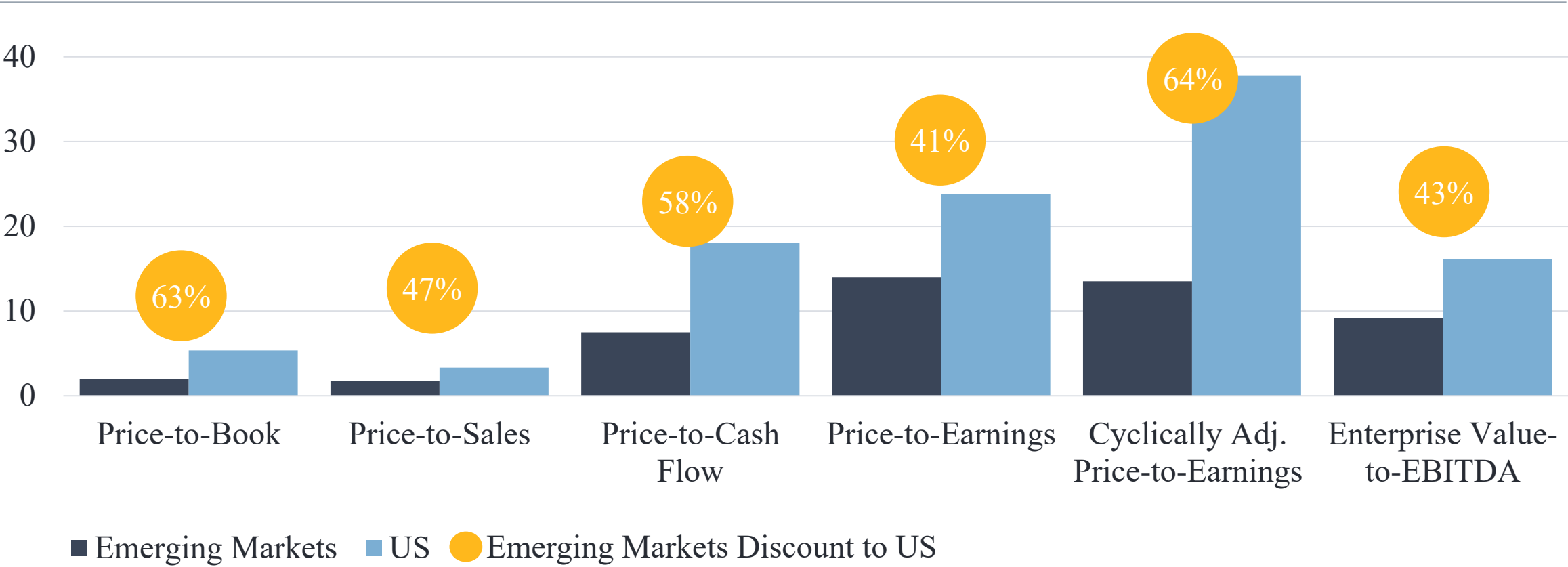
# Valuations Remain Attractive

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



# Valuations Remain Attractive

## Cheap Across Multiple Valuation Metrics



Source: Bloomberg as of July 31, 2025. The indices above reflect the following indices: MSCI Emerging Markets Index (USD) (ticker: NDUEEGF), S&P 500 Index (USD) (ticker: SPXT). 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.



**HOW TO ACCESS OPPORTUNITY?**

# Different Investment Approaches



**Passive**

**Traditional  
Global EM  
Active  
Management**

**Local  
Specialist  
Active  
Management**

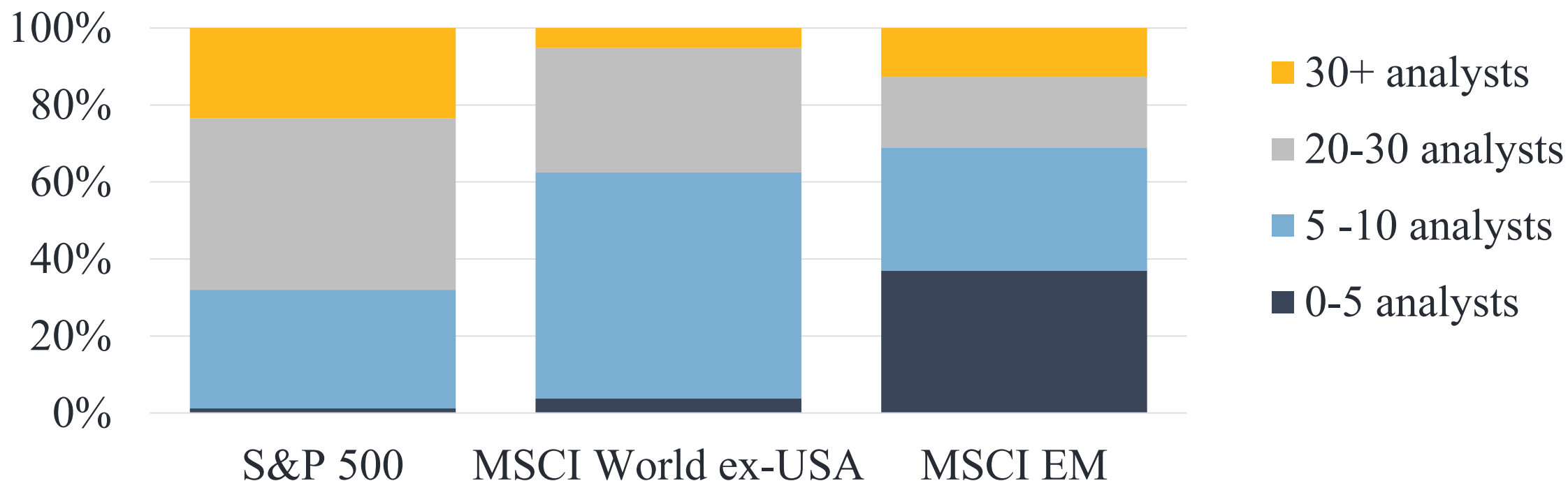
# Different Investment Approaches





# Market Inefficiency Creates Alpha Opportunities

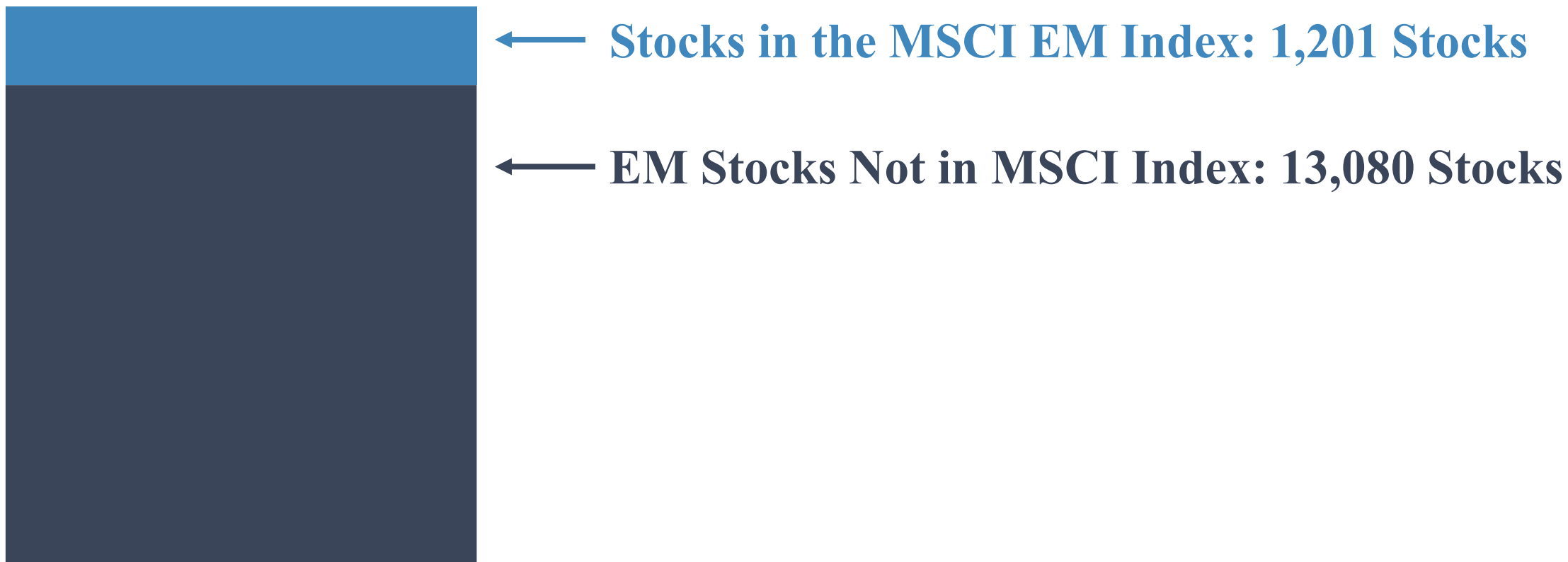
## Analyst Coverage Per Stock



Source: Bloomberg, S&P 500, and MSCI as of September 9, 2025. Past returns are not a guarantee of future results. Graph is presented for illustrative purposes only and should not be relied on to make an investment decision.

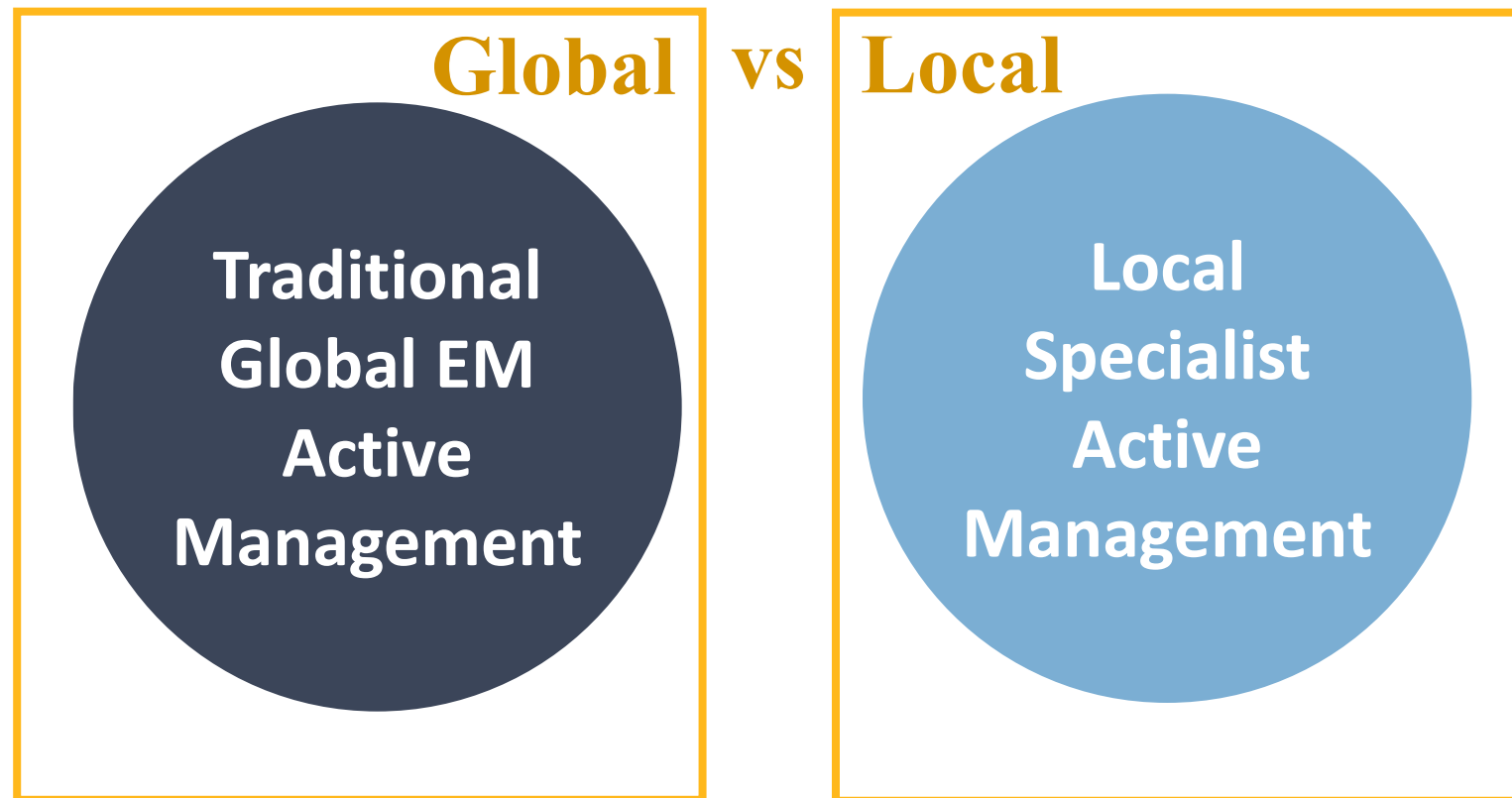
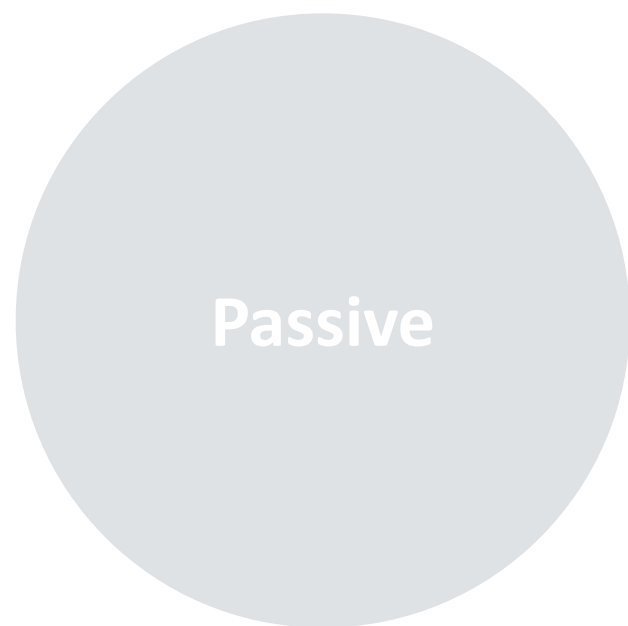
# Opportunities Left Behind

## Total Number of Stocks in the EM Universe



Source: MSCI, Bloomberg. Stocks not in MSCI Indices is based on a Bloomberg EQS screen that includes all stocks by country with market caps over \$100M as of July 31, 2025. Graph is presented for illustrative purposes only and should not be relied on to make an investment decision. Past returns are not an indicator of future performance.

# Different Investment Approaches



# A Diverse Opportunity Set that Requires Specialization

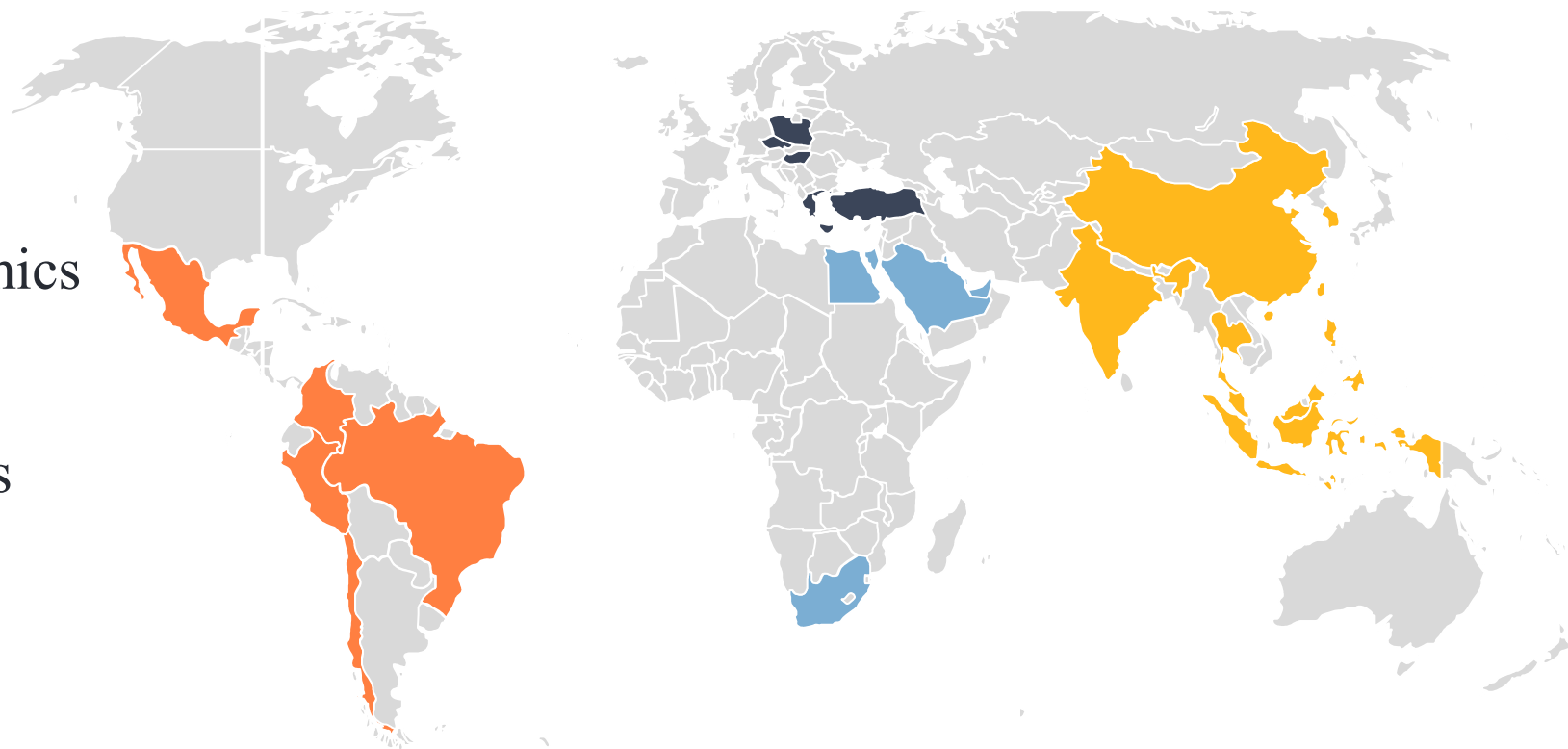
**14,000+**  
Stocks

**24**  
Countries

**5**  
Continents

**16**  
Languages

- Different economies
- Different politics
- Different market dynamics
- Different regulations
- Different growth stories
- Different structural transformations





**CLOSING THOUGHTS**

# Closing Thoughts

- Transformation creates compelling opportunities in EM
- The diversity of structural themes and inefficiency of EM can offer excellent opportunities for alpha generation
- EM markets are cheap, and valuations remain attractive
- The magnitude and complexity of EM requires dedicated resources to extract this alpha

# Additional Notes & Disclosures

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Submission ID: 4809162



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