



Global Emerging Markets ex-China Dynamic Equity Strategy

Why invest in Global Emerging Markets ex-China (“GEM ex-China”)

Global emerging markets (“GEM”) are dynamic and heterogeneous, consisting of some of the fastest growing countries, and least efficient capital markets in the world. These characteristics among many others make emerging markets a compelling, yet challenging destination for active returns.

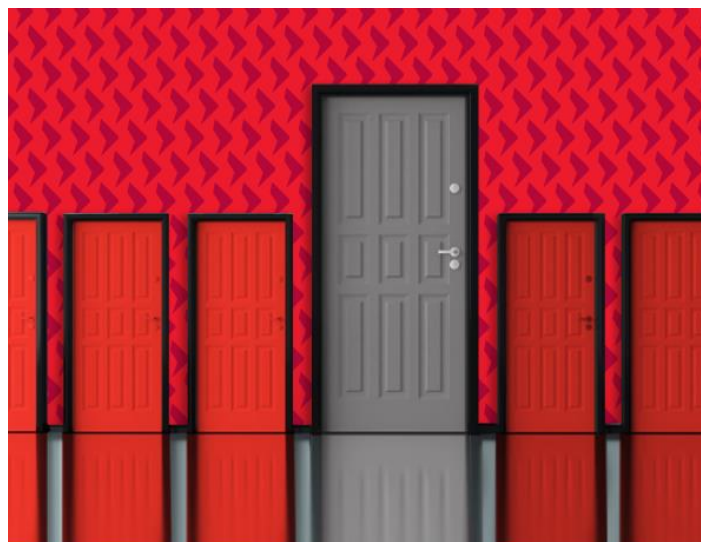
Given the complexity of these individual countries, active investment approaches and decision making are necessary ingredients to long-term success in our opinion. One prominent factor that requires careful consideration is regarding accessing China’s vast economy and how best, or if at all, to allocate to this economic powerhouse.

China comprises more than 25% of the MSCI EM index at present (Fig 1), and it is expected to reach 50% in the coming years as the Chinese economy continues to grow and index providers increase the inclusion factor of China’s domestic A share market. As a result, attractive alpha opportunities in peripheral emerging market countries are being crowded out. Also, as China’s weight increases, the diversification benefits gained from emerging market exposures will diminish as the country dominates emerging-market indices.

These factors present emerging market investors a dilemma – how to gain exposure to China’s vast onshore and offshore markets as well as those of other developing economies, while also maintaining portfolio diversification?

Several solutions exist in our opinion to address this challenge:

- ▶ Utilise global equity (MSCI All Country World Index, MSCI All Country World Index ex US etc.) and dedicated emerging market equity managers to gain appropriate exposures to China through full discretion mandates.
- ▶ Utilise GEM managers that include China while also hiring a complementary and dedicated China mandate encompassing A shares, All Shares, or Greater China stocks to provide a greater level of specialisation and broader access to China’s markets.



▶ Separate China from the global emerging markets exposure by moving to a GEM ex-China plus China-only framework. This can be viewed as a more refined and optimal solution as it provides dedicated China expertise and exposures, while allowing the emerging markets mandate to have greater exposures in attractive developing market stocks outside China. This can improve active contribution from these markets in terms of returns and provide the desired diversification benefits.

In some cases, asset owners would prefer to eliminate direct exposures to China, whether due to philosophical or governance reasons, in which case the GEM ex-China framework can also help solve this challenge.

GEM ex-China strategies have performed well over the past three and five years, with returns outperforming the broader GEM universe (Fig 2). Longer-term performance is similar to the GEM index, with no apparent “give-up” in returns).

Fig 1: China dominating MSCI Emerging Market index¹

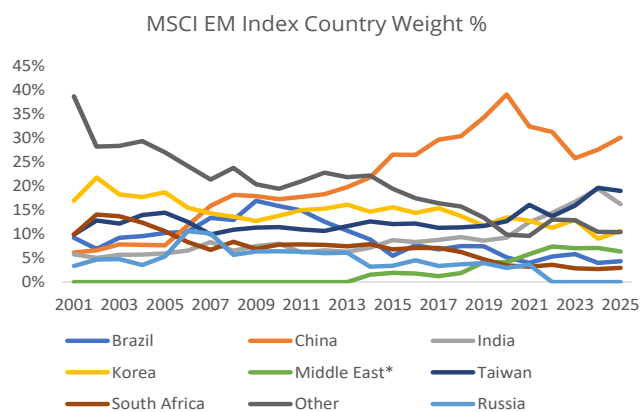
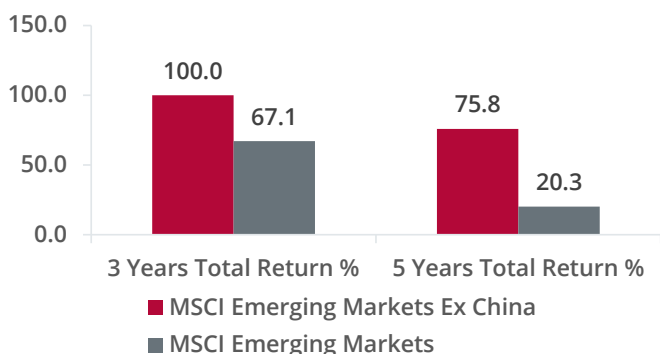


Fig 2: GEM ex-China outperforming GEM over long term²



Why Eastspring Investments

Eastspring Investments is a global asset manager with Asia at its core. Since 1994, we have built an unparalleled local presence in 10 Asian markets and distribution offices in North America and Europe.

As Asia accounts for over 70% of the GEM universe, we believe that by being based in the heart of Asia in Singapore, we can provide clients with deeper insights and research expertise as we navigate these complex markets.

Our Value approach to unlocking alpha in emerging markets

We believe that the next decade is likely to be very different from the last decade as global market valuations and global central bank policies normalise.

In response to the Global Financial Crisis, central banks and governments focused on easing monetary policy and strengthening the banking system. With no inflation, cheap money and excess liquidity, the market favoured the services, technology and other “new economy” sectors and companies which had capex/asset light business models. However, post COVID-19, what we see going forward are policy responses focused on productive assets, more capex spending, reshoring of manufacturing, supply chain diversification, and decarbonisation – all which favour “real economy” sectors and companies. Against this dynamic, we are also seeing substantial inflationary pressures along with rising interest rates which historically are positive for value stocks while presenting headwinds for expensive growth and quality stocks.

A Value approach to GEM investing has delivered outperformance over the long term, taking a differentiated

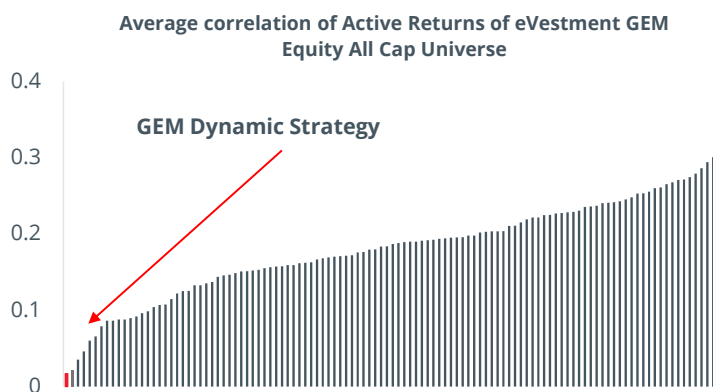
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In a snapshot: Global Emerging Markets ex-China Dynamic Equity Strategy

- › We aim to generate superior long-term returns for our clients by consistently applying our disciplined valuation approach to identify stocks that will outperform in GEM ex-China.
- › The strategy is a concentrated portfolio containing 40-60 of our very best ideas across GEM ex-China. We look for solid valuation signals across the market, choosing stocks that may have fallen out of favour or whose price reflects a significant overreaction by the market.
- › Rather than following the herd and being influenced by behavioural biases, our longer-term mindset allows us to focus on normalised earnings and potentially capture sizeable, mispriced opportunities.
- › Our GEM team consists of a diverse set of highly experienced managers with clearly defined responsibilities. They work within a unique culture that maximises challenge and debate. These factors are vital to executing our strategy and delivering repeatable performance to investors.

approach can also give diversification benefits to clients. With 95% of our GEM equity peer group portfolios biased towards growth / quality investing, we believe our GEM ex-China Dynamic Equity Strategy’s portfolio of attractive Value stocks can offer prospects the compelling proposition of both potential upside capture and diversification away from their exposure to expensive growth / quality stocks. This diversification benefit is evidenced in Fig. 3 below.

Fig 3: Average correlation of Active Returns of eVestment GEM Equity All Cap Universe³



How we build the strategy



Our investment process

Our bottom-up, valuation-driven investment process has been designed to target mispriced equities in a disciplined and repeatable manner. It consists of four stages:

- › **Idea generation:** We use proprietary screens to identify valuation outliers and to systematically exploit behavioural mispricing. In identifying these outliers, we can focus our research resources on only the best ideas.
- › **Fundamental analysis:** We conduct extensive fundamental research to understand key drivers of normalised earnings and valuations, as well as what is being priced by the market. Stocks with the highest shared team conviction and best upside potential make it to our conviction list.
- › **Portfolio construction:** We construct the portfolio with our highest conviction ideas while taking into account stock correlations and unintended risks. Stocks from this conviction list become the core positions in our GEM strategies.
- › **Risk control and review:** Ongoing review of the portfolio helps instil process integrity and sell discipline. Our robust risk framework is conducted by the GEM team, senior management and our independent risk oversight team.



An ethical mantle

We believe the best investment decisions are made when environmental, social, and governance (ESG) factors are incorporated into our investment process.

- › Eastspring Investments has an established responsible investing framework which includes stewardship and ESG policies that inform and govern our business and investment teams. Against this overarching framework, we have empowered each investment team to integrate these policies into their distinct investment approach and strategies, as we don't believe there is a one size fits all approach to ESG application.
- › We embed ESG impact into company valuations. We assess material ESG risks to normalised earnings and monitor the progress of such risks and opportunities in our "ESG dashboard".
- › We believe that engaging with investee companies on ESG issues is essential to understanding and protecting the portfolio from financial and non-financial risks. As such, we vote on all resolutions (except when it is not in the best interests of our clients).



Investment philosophy

We believe that:

- › Value style can generate superior long term returns when applied to GEM ex-China strategies. Behavioural biases influence both investor expectations and risk appetites.
- › Prices frequently move more than is justified due to shifts in investors' risk perceptions. True underlying value is not always reflected in stock prices. By detaching ourselves emotionally and with rigorous analysis and discipline over a longer time frame, we can exploit these opportunities.

Investment team lead



Navin Hingorani, CFA
Portfolio Manager

All investment decisions and outcomes are shared across the GEM team. However, Portfolio Manager Navin Hingorani has the ultimate responsibility for the daily monitoring of the portfolio, overseeing trades and position sizing.

Strategy characteristics

(as of 28 February 2026)

Active Share	75.8%
Estimated Portfolio Risk	15.3%
Cash Weight	4.8%

Sector breakdown	Portfolio	Benchmark
*Price to Book Ratio (PB) (F12m)	1.54	2.52
*Price to Earnings Ratio (PE) (F12m)	11.08	14.39
*Dividend yield (F12m)	21.45	25.96
#EV/EBITDA (Last)	8.3	12.9

*The forward looking aggregate valuation ratios are all derived from publicly available data from Refinitiv Datastream.

#EV/EBITDA: Enterprise Value (EV) to its Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA)

Strategy details

Style: All Cap Value

Inception Date: 31 May 2021

Strategy AUM: USD 912 mn (at 28 Feb 2026)

Benchmark: MSCI Emerging Markets ex-China index

Sources:

¹MSCI, Eastspring, *Middle East includes weight of UAE, Qatar, Kuwait and Saudi Arabia. As at 28 February 2026. ²MSCI, Bloomberg, as at 28 February 2026. The use of indices as proxies for the past performance of any asset class/sector is limited and should not be construed as being indicative of the future or likely performance of the strategy. ³eVestment, Eastspring Investments, as at 31 December 2025. Correlation of active returns calculated on all eVestment Emerging equity all cap universe (127 funds). Strategies with track records spanning December 2010 (Eastspring GEM Composite Inception) to current date specified. Chart is for illustrative purposes only. Our GEM Dynamic strategy has very low correlation to its peer group and the same is expected to translate into the correlation of its representative, GEM ex-China over the long term as it is being managed under the same discipline and team. Performance of a composite may not be similar to the performance of any particular strategy investing in similar securities due to differences in client-imposed investment restrictions or market, economic or individual considerations. For Fig 1-3. The use of indices as proxies for the past performance of any asset class/sector is limited and should not be construed as being indicative of the future or likely performance of the strategy.

Important information

The **MSCI Emerging Markets Index** captures large and mid cap representation across 24 Emerging Markets (EM) countries. With 1,393 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

This Strategy Overview is to complement Eastspring capabilities. This Supplemental information provides additional analysis and summarizes an Eastspring strategy and is not an offer or solicitation for any specific securities or vehicles.

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The representative accounts chosen best represent guidelines, objectives and restrictions for this strategy and not based upon investment performance.

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Upside/downside capture ratio show you whether a given representative account strategy has outperformed-gained more or lost less than-a broad market benchmark during periods of market strength and weakness, and if so, by how much. Upside capture ratios are calculated by taking the representative account strategy monthly return during months when the benchmark had a positive return and dividing it by the benchmark return during that same month. Downside capture ratios are calculated by taking the representative account strategy monthly return during the periods of negative benchmark performance and dividing it by the benchmark return.

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All investments involve risks, including possible loss of principal. Security prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Investments in developing markets involve heightened risks related to the same factors, in addition to those associated with these markets' smaller size, lesser liquidity and lack of established legal, political, business and social frameworks to support securities markets. Investments in securities of issuers in Asian countries involve risks that are specific to Asia, including certain legal, regulatory, political and economic risks. Because the fund invests its assets primarily in companies in a specific country or region the strategy may also experience greater volatility than a fund that is more broadly diversified geographically.

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