

**EMERGING MARKETS EQUITY ADR**

- Style: QGARP
- Approach: Active; Bottom-Up
- Benchmark: MSCI Emerging Markets Index
- Inception: 4/1/2019
- Strategy Assets: \$4 MM

**INVESTMENT PHILOSOPHY**

We believe that a company’s ability to generate consistent and sustainable earnings growth, along with a good return on capital, will drive enhanced stock price performance over the long term. We also believe that stocks can become mispriced through the improper evaluation of fundamentals or short-term trading decisions. We seek to pay a reasonable price for the growth opportunities we identify and apply a disciplined valuation process to uncover securities that may be undervalued in the market. We believe a careful assessment of a company’s upside potential and downside risk is critical in navigating the emerging markets asset class.

**ABOUT OUR FIRM**

GW&K is a dynamic investment management firm that offers active equity and fixed income investment solutions to meet the needs of a diverse client base. At our core is an entrepreneurial spirit of innovation, a desire to help educate our clients and a level of service that is hard to come by. Our founding principles of applying rigorous fundamental research, focusing on quality and maintaining a long-term view still guide our investment process today.

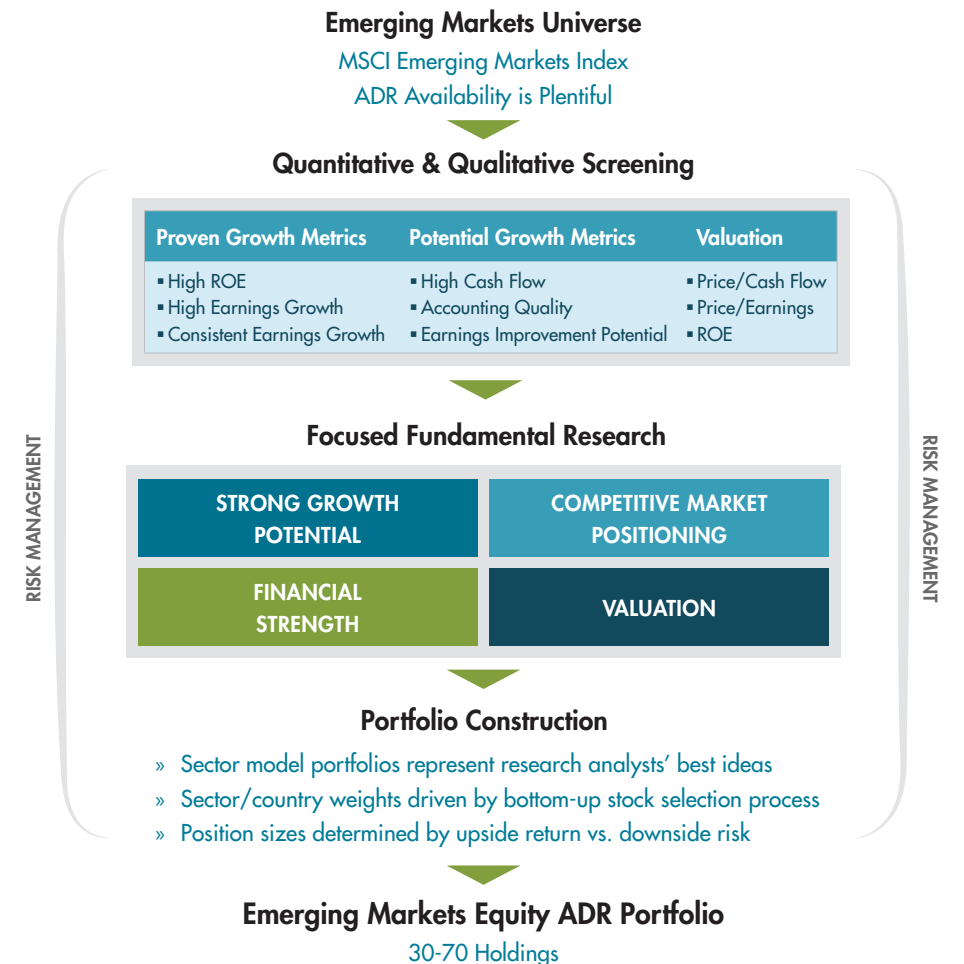
- Founded in 1974
- \$56 Billion Under Management
- Individually Managed Accounts
- Serving Individuals and Institutions

*All data as of June 30, 2021*

**STRATEGY HIGHLIGHTS**



**INVESTMENT PROCESS**



**FOCUS ON RISK MANAGEMENT**

Risk management is present at each stage of the investment process:

**INITIAL STOCK SCREENING**

Focus on high quality companies with better balance sheets, good profitability ratios and solid cash flow

**STOCK MODELING**

Focus on earnings growth potential and upside/downside risk using 3 price target scenarios

**GLOBAL STRATEGIST**

Helps to frame global economic trends, political risks and financial issues that could impact growth potential of companies

## INVESTMENT TEAM

### PABLO SALAS

Partner

Portfolio Manager

Investment Professional Since 1986

BS, Indiana University

MBA, University of Wisconsin

### BRAD MILLER, CFA

Partner

Portfolio Manager

Investment Professional Since 1995

BA, Simpson College

MBA, University of Iowa

### WILLIAM STERLING, Ph.D

Global Strategist

Investment Professional Since 1986

BA, Carleton College

Ph.D, Harvard University

*18 Emerging Markets Equity Investment Professionals Averaging 28 Years Experience*

*Portfolio Managers have been working together for more than 2 decades*

## A DISCIPLINED APPROACH TO PORTFOLIO CONSTRUCTION

**DIVERSIFICATION**    ■ By region    ■ By sector    ■ Across currencies

**MARKET CAP RANGE**    At time of initial purchase, companies will typically have a market cap of greater than \$750 million, or within the market cap range of the MSCI Emerging Markets Index.

**POSITION SIZE**    Target: 1% – 4%  
Maximum: 7%

**GEOGRAPHIC REGIONS**    Invests primarily in emerging markets equities.

**SECTOR WEIGHTINGS**    Bottom-up industry focused security selection process drives sector allocation. Variation from country/sector ranges due to market conditions is allowed and reviewed by the portfolio team.

<u>MSCI Emerging Markets Index</u>	<u>Portfolio Weight</u>
≥10%	Maximum – 2x benchmark
<10%	Maximum – 20% of the portfolio

ETF exposure typically less than 20% of the portfolio.

**CASH POSITION**    Our philosophy is to remain fully invested in equities. Cash will typically range between 0% and 10%, with levels generally less than 5%.

**CURRENCY**    Maintain unhedged foreign currency exposure.  
Exposure managed through investment process.

**TURNOVER**    The average annual portfolio turnover is typically expected to be less than 50%.

## RESEARCH ADVANTAGES

- **Experienced sector based team** averaging 28 years of investment experience.
- **Rigorous fundamental due diligence** includes meetings with company managements and extensive financial statement analysis and modeling.
- **Global Strategist** provides an important macro perspective of the world, helping to uncover industry and country risks.
- **Price scenarios help navigate volatility** and identify companies with optimal risk/return profiles:
  - » **Base case** reflects assumptions having the highest probability
  - » **Pessimistic case** reflects assumptions for a series of disappointments
  - » **Optimistic case** reflects assumptions for a series of positive surprises