



# EMERGING WEALTH EQUITY STRATEGY

## STRATEGY OVERVIEW

The Emerging Wealth Equity Strategy seeks long-term capital appreciation by focusing on best in class companies primarily domiciled in emerging markets with strategic exposure to developed market companies serving the emerging markets consumer. We target both early stage and traditional growth companies which we believe have meaningful exposure to growth in emerging markets.

- ▶ **Style:** GARP
- ▶ **Approach:** Active; Bottom-Up
- ▶ **Benchmark:** MSCI Emerging Markets Index
- ▶ **Inception:** 4/1/2011
- ▶ **Strategy Assets:** \$119 MM

## STRATEGY HIGHLIGHTS

- ▶ **Consumer Growth Story:** Invest to take advantage of long-term trend of growing consumer strength in emerging market economies
- ▶ **Best In Class Businesses:** Focus on quality companies that offer desirable products and good value for the consumer translating into sustainable earnings growth
- ▶ **Global Research Expertise:** Experienced research team organized by sector covering and analyzing companies in developed and emerging markets

## PORTFOLIO MANAGEMENT TEAM

**Nuno Fernandes, CFA**  
**Thomas A. Masi, CFA**

**15** Emerging Wealth Equity Investment Professionals  
**29** Average Years Experience

PORTFOLIO CHARACTERISTICS	Strategy		Index	
	Strategy	Index	Strategy	Index
Return on Assets	4.3%	5.8%	Asia	80.9%
Return on Equity	16.9%	15.9%	Developed Market	13.5%
LT Debt/Capital	22.6%	19.5%	Latin America	3.3%
Dividend Yield	1.0%	2.7%	EMEA	0.0%
Historical 3 Yr. Sales Growth	10.9%	14.5%	Cash	2.3%
Historical 3 Yr. EPS Growth	15.5%	18.0%		
Estimated PE (FY1)	18.9x	13.2x		
Price/Book	3.3x	1.8x		
Wtd. Avg. Market Cap (\$MM)	\$97,760	\$99,669		
Number of Holdings	49	1,437		
Trailing 12-Month Turnover	24.3%	-		

GEOGRAPHIC ALLOCATION	Strategy		Index	
	Strategy	Index	Strategy	Index
Asia	80.9%	78.5%	China	53.9%
Developed Market	13.5%	-	India	19.2%
Latin America	3.3%	8.8%	United States	7.7%
EMEA	0.0%	12.8%	Taiwan	5.4%
Cash	2.3%	-	Germany	4.2%
			Brazil	2.3%
			Hong Kong	2.0%
			France	1.0%
			Mexico	0.6%
			Italy	0.6%

TOP TEN COUNTRIES	Strategy		Index	
	Strategy	Index	Strategy	Index
China	53.9%	30.0%	India	19.2%
India	19.2%	15.7%	United States	7.7%
United States	7.7%	0.0%	Taiwan	5.4%
Taiwan	5.4%	14.7%	Germany	4.2%
Germany	4.2%	0.0%	Brazil	2.3%
Brazil	2.3%	5.4%	Hong Kong	2.0%
Hong Kong	2.0%	0.0%	France	1.0%
France	1.0%	0.0%	Mexico	0.6%
Mexico	0.6%	2.5%	Italy	0.6%
Italy	0.6%	0.0%		

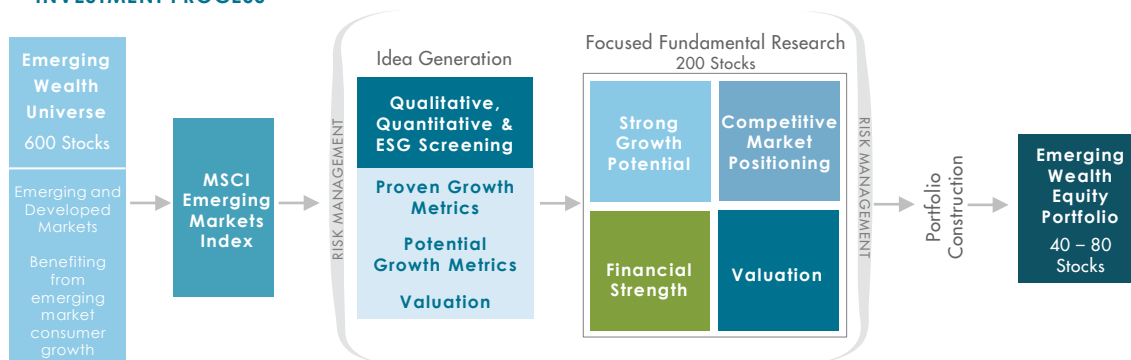
PERFORMANCE ANALYSIS		
10-Year Market Capture Ratios		
	Upside	Downside
Strategy – Gross	111.2%	101.3%
Index	100.0%	100.0%
Strategy – Net	106.8%	104.4%
10-Year Risk / Return		
	Risk	Return
Strategy – Gross	18.6%	3.4%
Index	17.0%	2.1%
Strategy – Net	18.6%	2.4%

TOP TEN HOLDINGS	% of Portfolio		Sector	Country
	Strategy	Index		
Sands China	5.8%	5.8%	Consumer Discretionary	CHN
Taiwan Semiconductor Manufacturing	5.4%	5.4%	Information Technology	TWN
Trip.com Group	4.7%	4.7%	Consumer Discretionary	CHN
Alibaba Group	4.3%	4.3%	Consumer Discretionary	CHN
Infineon Technologies AG	4.2%	4.2%	Information Technology	DEU
Tencent Holdings	4.0%	4.0%	Communication Services	CHN
Baidu, Inc.	4.0%	4.0%	Communication Services	CHN
Kotak Mahindra Bank	4.0%	4.0%	Financials	IND
HDFC Bank	3.9%	3.9%	Financials	IND
Qualcomm, Inc.	3.8%	3.8%	Information Technology	USA

SECTOR DISTRIBUTION	Strategy		Index	
	Strategy	Index	Strategy	Index
Consumer Discretionary	33.0%	13.7%	Consumer Discretionary	33.0%
Financials	26.1%	22.2%	Financials	26.1%
Information Technology	13.8%	20.2%	Information Technology	13.8%
Communication Services	10.7%	9.6%	Communication Services	10.7%
Consumer Staples	8.6%	6.2%	Consumer Staples	8.6%
Industrials	3.0%	6.7%	Industrials	3.0%
Materials	2.0%	8.0%	Materials	2.0%
Health Care	0.6%	3.8%	Health Care	0.6%
Energy	0.0%	5.2%	Energy	0.0%
Real Estate	0.0%	1.7%	Real Estate	0.0%
Utilities	0.0%	2.6%	Utilities	0.0%
Cash	2.3%	0.0%	Cash	2.3%

Past performance is no guarantee of future results. There is a risk that invested capital may be lost. Source: Factset. Risk/return is based on historical monthly composite returns. Market capture is based on historical quarterly returns. Holdings are based on a representative account. There is no guarantee the holdings from the representative account will form part of any future implementation of the Strategy, and should not be considered a recommendation to purchase or sell any security. Please refer to page 2 for GW&K's Disclosure Statement, which is an integral part of our presentation, for an explanation of our composite criteria, calculations and index descriptions. All data as of 9/30/2023

## INVESTMENT PROCESS



## WHY EMERGING WEALTH?

- ▶ Emerging market economies will experience faster GDP growth than developed markets.
- ▶ Emerging growth is shifting to consumption as per capita income rise.
- ▶ This global growth trend presents opportunities for companies that can best serve these consumers and offer products and services with good value.
- ▶ We seek out best in class businesses anywhere in the world that have material exposure to the growth of the middle class in emerging markets.
- ▶ Our portfolios are more concentrated, offer greater liquidity and experience lower turnover than traditional emerging markets managers.



## EMERGING WEALTH EQUITY STRATEGY

## ANNUALIZED RETURNS

Period Ending 9/30/2023

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
GW&K Emerging Wealth Equity Composite – Gross	-5.32%	-2.87%	12.68%	-4.83%	1.01%	3.44%
MSCI Emerging Markets Index	-2.93%	1.82%	11.70%	-1.73%	0.55%	2.07%
GW&K Emerging Wealth Equity Composite – Net	-5.56%	-3.59%	11.57%	-5.78%	0.01%	2.41%

Returns less than one year are not annualized.

## CALENDAR YEAR RETURNS

Inception Date 4/1/2011

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GW&K Emerging Wealth Equity Composite – Gross	-13.46%	-14.23%	26.77%	29.96%	-17.11%	41.79%	8.37%	-6.73%	-4.92%	10.73%
MSCI Emerging Markets Index	-20.09%	-2.54%	18.31%	18.42%	-14.57%	37.28%	11.19%	-14.92%	-2.19%	-2.60%
GW&K Emerging Wealth Equity Composite – Net	-14.33%	-15.09%	25.53%	28.70%	-17.95%	40.42%	7.30%	-7.66%	-5.87%	9.64%

Source: FactSet

Past performance is no guarantee of future results. There is a risk that invested capital may be lost. Net of fee performance based on highest fee. All data as of date noted and is subject to change.

## PERFORMANCE DISCLOSURE

Past performance is no guarantee of future results. There is a risk that invested capital may be lost.

The composite performance results displayed herein represent the investment performance record of GW&K Investment Management, LLC. GW&K is an SEC-registered investment management firm that offers active equity and fixed income investment solutions. Founded in 1974, GW&K is an independent and autonomous investment management firm that is an affiliate of Affiliated Managers Group, Inc. (NYSE: AMG), a publicly traded global asset management company. On February 1, 2019 the investment team of Trilogy Global Advisors, LP (TGA), an AMG Affiliate located in Winter Park, FL and New York City joined GW&K Investment Management. Effective March 30, 2015, the legal name of the firm was changed from Gannett Welsh & Kotler, LLC to GW&K Investment Management, LLC.

GW&K claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. GW&K has been independently verified for the periods January 1, 1995 through December 31, 2021. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Emerging Wealth Equity Composite has had a performance examination for the periods April 1, 2011 through December 31, 2021. The verification and examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

The Emerging Wealth Equity Strategy seeks long-term capital appreciation by investing primarily in companies located in either developed or emerging markets which are exposed to, and derive revenue or profits from, emerging market countries. The Strategy employs a bottom-up, growth-oriented, fundamental investment approach based on the belief that future earnings growth is a key determinant of potential long-term equity returns. We target both early stage and traditional growth companies which we believe have meaningful exposure to growth in emerging markets. The Emerging Wealth Equity Composite (composite) includes all portfolios invested in the Emerging Wealth Equity Strategy with a minimum market value of \$2,000,000. The composite was created in April 2011. The Emerging Wealth Equity segments of multi-asset portfolios are included in the composite. Each segment of multi-asset portfolios is managed with its own cash account. Accounts are included in the composite after one full month under management. Closed accounts are included through the last full month under management. Performance presented prior to February 1, 2019 occurred while the investment management team was affiliated with TGA. Total firm assets presented prior to February 1, 2019 include only GW&K assets. TGA claimed compliance with the Global Investment Performance Standards (GIPS®) and had been independently verified for the periods December 31, 1998 through January, 31, 2019. An individual performance examination of this composite was also conducted from April 1, 2011 through January 31, 2019. Verification and performance examination reports are available upon request. Inception date is April 1, 2011.

All results reflect the reinvestment of dividends and income, and factor in commission costs. Performance is expressed in US dollars. Composite

portfolio income may be net or gross of withholding tax depending on the accounting methodology of the custodian bank. The performance results presented may not equal the rate of return experienced by any particular GW&K portfolio due to various reasons, including differences in brokerage commissions, fees, client contributions or withdrawals, position size in relation to account size, diversification among securities and market conditions. Additional information regarding the policies for valuing investments, calculating performance, and preparing GIPS reports, as well as a complete list and description of the firm's composites and pooled funds is available upon request by contacting info@gwkinvest.com.

The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Gross returns are used for the composite calculation. The standard deviation measure is presented annually, for periods where 36 monthly returns are available.

The firm uses an asset-weighted standard deviation calculation to measure dispersion, which is reported on a yearly basis. Dispersion is used to measure the volatility of gross portfolio returns within the composite. Only portfolios that have been included in the composite for the full year are included in the dispersion calculation. Where dispersion is listed as N/A, the information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

To account for advisory fees, net performance results reflect the deduction of the maximum fee (1.00% annually, applied monthly) GW&K Investment Management would charge for managing portfolios in this Strategy. Client fees may vary.

The performance shown is compared to the MSCI Emerging Markets Index. Returns presented are net of withholding tax on dividends. The MSCI Emerging Markets Index captures large and mid cap representation across 25 Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country. Indexes are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly in an index. Index data has been obtained from third-party data providers that GW&K believes to be reliable, but GW&K does not guarantee its accuracy, completeness or timeliness. Third-party data providers make no warranties or representations relating to the accuracy, completeness or timeliness of the data they provide and are not liable for any damages relating to this data. The third-party data may not be further redistributed or used without the relevant third-party's consent. Sources for index data include Bloomberg, FactSet, ICE, FTSE Russell, MSCI, and Standard & Poor's.

Investing in securities or investment strategies, including GW&K's Investment Strategies presented in this document, involves risk of loss that clients should be prepared to bear. No investment process is free of risk; no strategy or risk management technique can guarantee returns or eliminate risk in any market environment. There is no guarantee that GW&K's investment processes will be profitable, and you therefore may lose money. The value of investments, as well as any investment income, is not guaranteed and can fluctuate based on market conditions.

Diversification does not assure a profit or protect against loss. GW&K's active management styles include equity and fixed income strategies that are subject to various risks, including those described in GW&K's Form ADV Part 2A, Item 8. GW&K's Form ADV Part 2A may be found at the SEC's website under Firm 121942, or is available from GW&K upon request.

## 3-YEAR STANDARD DEVIATION

Year	GW&K Emerging Wealth Equity Composite (%)	MSCI Emerging Markets Index (%)
2022	23.59	20.26
2021	20.03	18.33
2020	20.92	19.60
2019	15.65	14.17
2018	14.43	14.60
2017	14.36	15.35
2016	15.00	16.07
2015	13.96	14.06
2014	14.94	15.00
2013	-	-

## COMPOSITE STATISTICS

Year	Number of Portfolios	Internal Dispersion (%)	Total Composite Assets (\$000s)	Total Firm Assets (\$000s)
2022	2	N/A	\$134,503	\$46,803,858
2021	2	N/A	\$362,403	\$54,720,660
2020	2	N/A	\$431,629	\$51,431,909
2019	1	N/A	\$125,510	\$42,154,892
2018	3	N/A	\$911,675	\$34,395,747
2017	2	N/A	\$2,646,294	\$36,503,378
2016	2	N/A	\$2,109,442	\$32,193,721
2015	3	N/A	\$2,017,432	\$26,646,814
2014	3	N/A	\$2,254,857	\$22,823,427
2013	3	N/A	\$1,809,634	\$18,994,569