

# EMERGING MARKETS EQUITY STRATEGY

QUARTERLY FACT SHEET | 31 DECEMBER 2023

**\$946.7M**

Total Strategy Assets\*

**1 Jan 10**

Inception Date

**59**

Holdings

**37.9%**

Top Ten Weight

## INVESTMENT STRATEGY

The Strategy employs a bottom-up, fundamental approach to investing, and targets a core return profile across the market cap spectrum, focusing on the strongest businesses that are attractively valued and have well identified paths to success. A defining aspect of the strategy is a three-basket approach to portfolio construction which mitigates benchmark-relative risk, ensures a balanced style exposure and allows stock selection to be the main alpha driver.

## PORTFOLIO MANAGERS

**Charles Wilson, PhD**  
Began with firm in 2012.  
Industry experience since 2006.

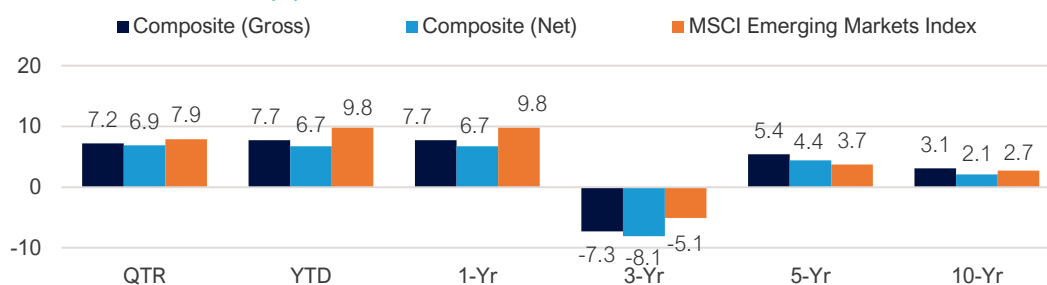
**Josh Rubin**  
Began with firm in 2017.  
Industry experience since 2001.

**Ben Kirby, CFA**  
Began with firm in 2008.  
Industry experience since 2006.

Supported by the entire Thornburg investment team.

## INVESTMENT RESULTS

### ANNUALIZED RETURNS (%)



### CALENDAR YEAR RETURNS (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Composite (Gross)	-1.45	-14.17	4.20	37.26	-13.94	30.88	24.44	-1.61	-24.69	7.68
Composite (Net)	-2.30	-14.91	3.28	36.12	-14.72	29.67	23.29	-2.53	-25.41	6.67
MSCI Emerging Markets Index	-2.19	-14.92	11.19	37.28	-14.58	18.42	18.31	-2.54	-20.09	9.83
Excess Return (Gross)	0.74	0.75	-6.99	-0.02	0.64	12.46	6.13	0.93	-4.60	-2.15

In US\$ terms. **Returns may increase or decrease as a result of currency fluctuations.** Periods less than one year are not annualized.

Performance data for the Emerging Markets Equity Strategy is from the Emerging Markets Equity Composite, inception date of 1 January 2010. The Emerging Markets Equity Composite includes discretionary accounts invested in the Emerging Markets Equity Strategy. Returns are calculated using a time-weighted and asset-weighted calculation including reinvestment of dividends and income. Periods less than one year are not annualized. Individual account performance will vary. The performance data quoted represents past performance; it does not guarantee future results. Gross of fee returns are net of transaction costs. Net of fee returns are net of transaction costs and investment advisory fees. For periods prior to 2011, net returns for some accounts in the composite also reflect the deduction of administrative expenses. Thornburg Investment Management Inc.'s fee schedule is detailed in Part 2A of its ADV brochure. Performance results of the firm's clients will be reduced by the firm's management fees. For example, an account with a compounded annual total return of 10% would have increased by 159% over ten years. Assuming an annual management fee of 0.75%, this increase would be 142%.

## STRATEGY PROFILE

### BENCHMARK

MSCI Emerging Markets Index

### eVESTMENT UNIVERSE

Global Emerging Markets All Cap Core Equity

### HOLDINGS INFORMATION

Typically 40–60 holdings

Active weight usually 1–5%

### TARGET TURNOVER RANGE

40–60%

Target 3+ years (growth basket)

Target 18–24 months (value basket)

### MARKET CAPITALIZATION

Typically greater than \$1B USD

### CASH EXPOSURE

<10% under normal conditions

### INDUSTRY EXPOSURE

Maximum of 25%

### COUNTRY EXPOSURE

Maximum of 50%

### DEVELOPED MARKETS EXPOSURE

Maximum of 10%

### CURRENCY HEDGING

Permitted but not utilized under normal market conditions

## AVAILABLE VEHICLES

Separate Account

U.S. Mutual Fund

UCITS

Institutional Pooled Vehicles

\*Includes U.S. Mutual Funds, UCITS, Separate Accounts and Institutional Accounts.

## PORTFOLIO CHARACTERISTICS

PORTFOLIO STATISTICS	REP. ACCT.	MSCI EMERGING MARKETS INDEX
Active Share	74.5%	--
Weighted Average Market Cap.	\$109.3B	\$109.1B
Median Market Cap	\$20.6B	\$6.7B
Price to Earnings (Forecast 1-Fiscal Year)	17.4x	13.0x
Est 3-5 Yr EPS Growth	21.0%	15.2%
Price-to-Book	2.7x	1.6x
Price-to-Cash Flow	11.4x	6.5x
Return on Assets	10.0%	8.5%

TEN LARGEST HOLDINGS (%) (AS OF 30 NOVEMBER 23)	REP. ACCT.
Taiwan Semiconductor Manufacturing Co. Ltd.	6.9
Samsung Electronics Co. Ltd.	4.8
Varun Beverages Ltd.	3.7
Naspers Ltd.	3.4
Dino Polska S.A.	3.4
Max Healthcare Institute Ltd.	3.3
Tencent Holdings Ltd.	3.2
PRIO SA/Brazil	3.1
SK Hynix, Inc.	3.1
AIA Group Ltd.	3.0

SECTOR ALLOCATION (%)	REP. ACCT.	RELATIVE WEIGHT
Financials	22.0	-0.3
Information Technology	19.4	-2.8
Consumer Discretionary	16.5	3.7
Consumer Staples	12.5	6.5
Health Care	6.7	3.0
Real Estate	5.0	3.4
Industrials	4.3	-2.6
Energy	4.2	-1.0
Communication Services	3.8	-5.0
Utilities	1.4	-1.3
Materials	1.0	-6.8
Cash	3.2	

TOP REGIONS† (%)	REP. ACCT.	RELATIVE WEIGHT
Emerging Asia	57.0	-20.8
Emerging Latin America	20.9	11.4
Emerging EMEA	10.9	-1.3
Pacific ex-Japan	5.8	5.8
North America	2.2	2.2

FIVE LARGEST COUNTRIES† (%)	REP. ACCT.	RELATIVE WEIGHT
China	15.7	-10.8
India	14.6	-2.1
Taiwan	13.3	-2.7
Brazil	12.9	7.1
South Korea	10.2	-2.7

† Holdings are classified by country of risk as determined by MSCI and Bloomberg.

Thornburg is a global investment firm delivering on strategy for institutions, financial professionals and investors worldwide. The privately held firm, founded in 1982, is an active, high-conviction manager of fixed income, equities, multi-asset solutions and sustainable investments with \$42.9\*\* billion in total assets across mutual funds, closed-end funds, institutional strategies, managed accounts, and UCITS.

### Our client teams are here to support you:

#### Principal Office

us@thornburg.com  
(800) 276-3930

#### Melbourne

www.terrainplacement.com  
Mobile: +61 417 163 260  
Mobile: +61 432 887 707

#### Shanghai

asia@thornburg.com  
+86-21-61577596

#### Hong Kong

asia@thornburg.com  
+852 3796-3325

#### Americas

americas@thornburg.com  
(505) 467-7103

Signatory of:



www.thornburg.com



The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

\*\*Includes assets under management (\$41.8B) and assets under advisement (\$1.1B).

## IMPORTANT INFORMATION

Source: FactSet, and Thornburg.

Unless otherwise noted, all data is as of 31 December 2023.

Investments in the Strategy carry risks, including possible loss of principal. Carefully consider the Strategy's investment objectives, risks, and expenses before investing. There is no guarantee that the portfolio will meet its investment objectives.

Diversification does not assure or guarantee better performance and cannot eliminate the risk of investment losses. Portfolio characteristics are derived using currently available data from independent research resources that are believed to be accurate. Portfolio attributes can and do vary. Portfolios invested in a limited number of holdings may expose an investor to greater volatility. There is no guarantee that the Strategy will meet its investment objectives or expectations. Cash may also include cash equivalents and currency forwards.

Portfolio holdings and characteristics shown herein are from a representative account managed within the investment composite. The representative account is selected based on account characteristics that Thornburg believes accurately represent the investment strategy as a whole. Should these characteristics change materially, Thornburg may select a different representative account. Holdings may change daily and may vary among accounts, which may contribute to different investment results.

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed may not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

The MSCI Emerging Markets Net Total Return USD Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 24 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

Portfolio construction will have significant differences from that of a benchmark index in terms of security holdings, industry weightings, asset allocations and number of positions held, all of which may contribute to performance, characteristics and volatility differences. Investors may not make direct investments into any index.

Active Share – A measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index.

P/E – Price/Earnings ratio (P/E ratio) is a valuation ratio of a company's current share price compared to its per-share earnings. P/E equals a company's market value per share divided by earnings per share. Forecasted P/E is not intended to be a forecast of the fund's future performance.

Return on Assets (ROA) – An indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings.

Price/Book ratio (P/B ratio) – A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share.

Price/Cash Flow – The measure of the market's expectations regarding a firm's future financial health. It is calculated by dividing price per share by cash flow per share.

Earnings per Share (EPS) – The total earnings divided by the number of shares outstanding.

**For Australia:** This material has been prepared by Thornburg Investment Management, Inc. (Thornburg). Thornburg is regulated, as a registered investment adviser, by the Securities and Exchange Commission of the United States of America ("US") under U.S. laws which differ from Australian laws. Thornburg holds a foreign AFSL 526689.

This material contains general information only and is intended for viewing only by wholesale clients for the purposes of section 761G of the Corporations Act 2001 (Cth). It must not be distributed to retail clients in Australia (as that term is defined in the Corporations Act 2001 (Cth)) or to the general public. This document may not be reproduced in any form or distributed to any person without the prior written consent of Thornburg.

This material is not intended to provide you with financial product advice. It is for the use of researchers, licensed financial advisers and their authorised representatives. It does not take into account the objectives, financial situation or needs of any person. For this reason, you should, before acting on this material, obtain professional advice and consider whether this information is appropriate having regard to your investment needs, objectives, and financial situation.

Past performance is not an indication of future performance. Any economic or market forecasts are not guaranteed. Any references to particular securities or sectors are for illustrative purposes only. It is not a recommendation in relation to any named securities or sectors.

To the extent permitted by law, no liability is accepted by Thornburg, its officers or directors or any affiliates of Thornburg for any loss or damage as a result of any reliance on this information. While efforts have been made to ensure the information is correct, no warranty of accuracy or reliability is given, and no responsibility is accepted for errors or omissions. Any opinions expressed are those of Thornburg as of the date noted on the material and are subject to change without notice.