



Active GEM Funds

Positioning Chart Pack

January 2025

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In this chart pack, we highlight 10 key investment themes across our Global Emerging Market fund universe.

1. Active Shares Hit All-Time Lows
2. The Small Cap Effect
3. Have we Seen Peak ESG?
4. The Big Rotations in 2024.
5. GCC a Key Focus for EM Investors in 2025
6. Will the Indian Underweight Payoff in 2025?
7. Stock Rotation & Fund Flows
8. Fund-Level Activity in 2024.
9. TSMC - EM Investors Forced Underweight
10. Alibaba Group Holdings : Value Trap?

Copley Fund Research

January 27, 2025

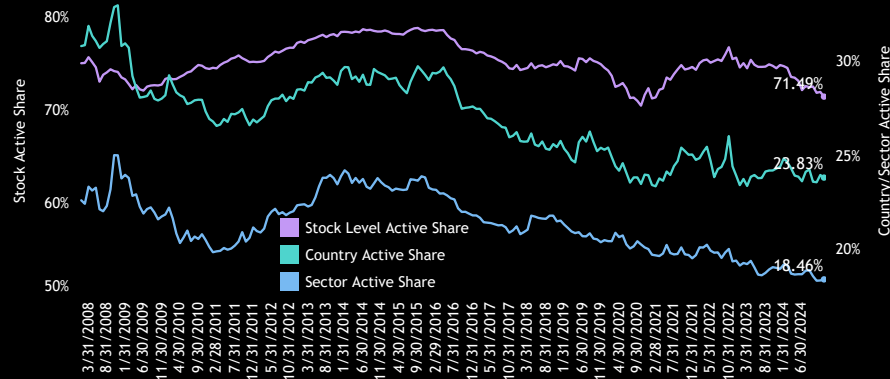
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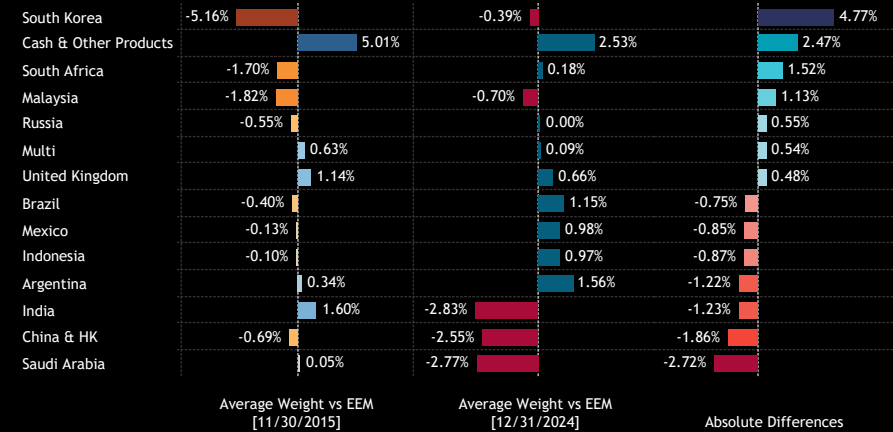
GEM Funds Positioning Chart Pack: Active Shares Hit All-Time Lows

1. Active Shares are falling. Average Stock, Country and Sector level active shares are at their lowest levels in history. And we're not sure why...

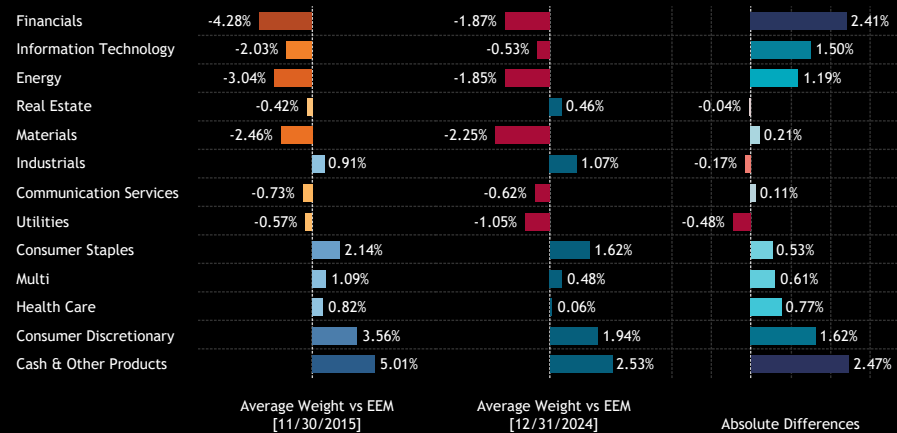
Stock level Active Shares (lhs) versus Country and Sector level Active Share (rhs) - versus iShares MSCI EM ETF



3. Country-level differences are less pronounced from the highs. Today, managers are taking larger relative positions in China, India and Saudi, but smaller in South Korea, South Africa and Cash.



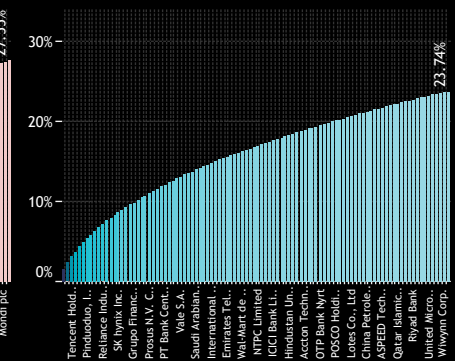
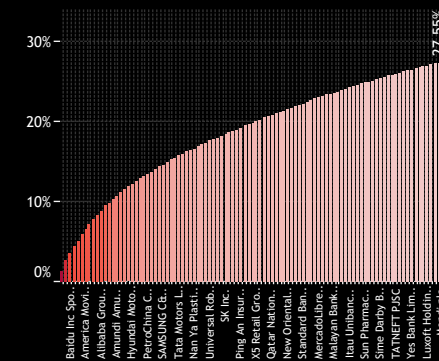
2. At its height in 2015, sector positioning versus the benchmark was far more pronounced. Almost all sectors had a larger divergence from the index than today.



4. The top 100 stock over and underweights (ex-cash) are 3.8% less diverged from the benchmark than in 2015.

11/30/2015: Cumulative Absolute Stock Over/Underweights, top 100.

12/31/2024: Cumulative Absolute Stock Over/Underweights, top 100.

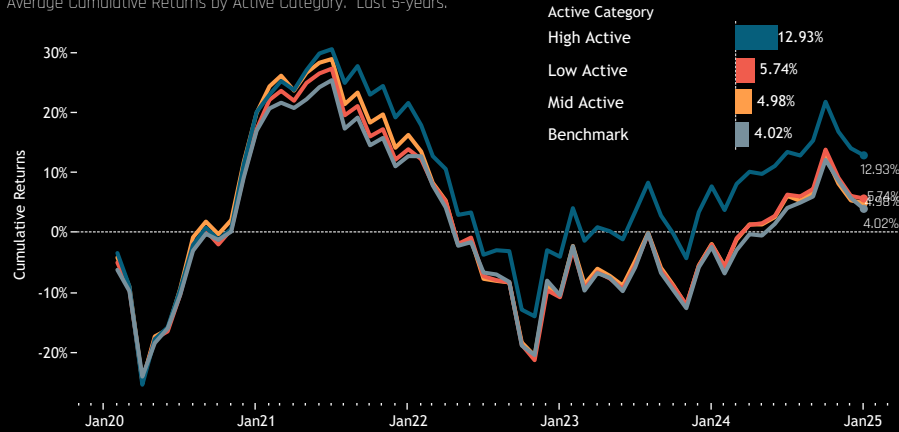


Source: Factset, Copley Fund Research

GEM Funds Positioning Chart Pack: Active Shares Hit All-Time Lows

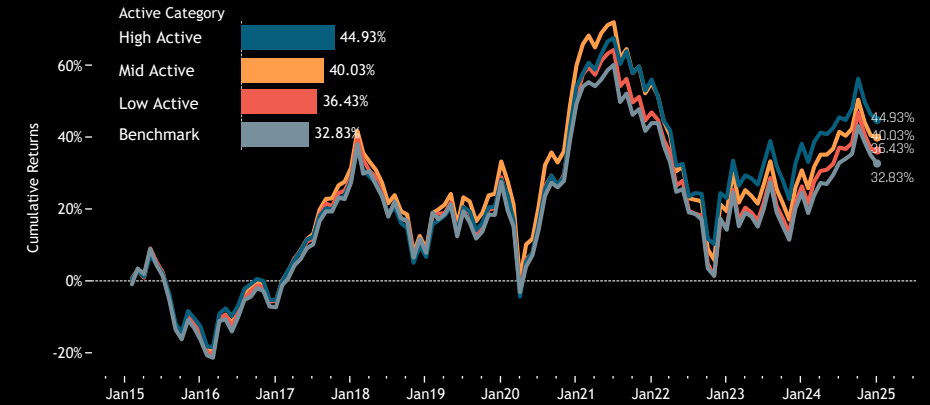
5. The reason for the active contraction seems unclear. In Emerging Markets at least. High active share funds have delivered.

Average Cumulative Returns by Active Category. Last 5-years.



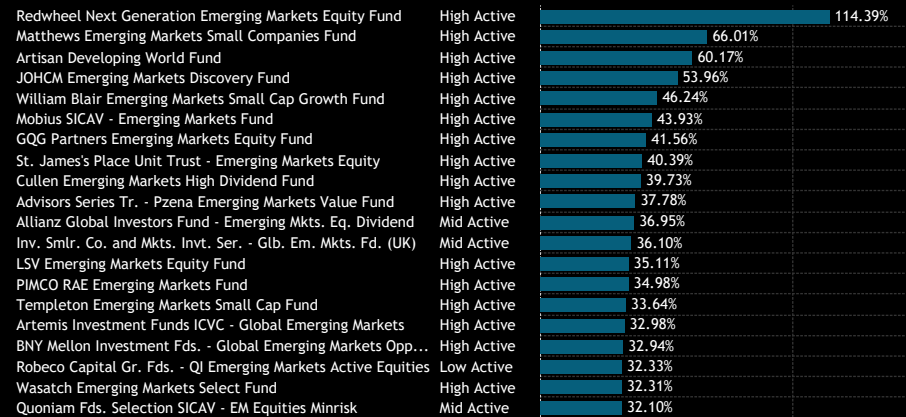
7. Over the last 10-years, High Active funds have beaten the benchmark by 12.1% and their Low Active peers by 8.5%

Average Cumulative Returns by Active Category. Last 10-years.



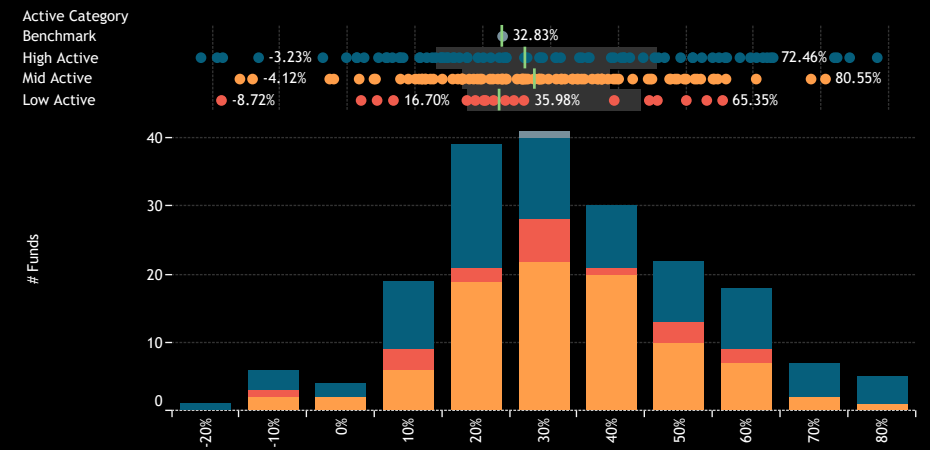
6. High Active funds dominate the list of top performing funds over the last 5-years. 27 of the top 40 performers were High Active in nature.

5-Year returns by fund (USD).



8. 10-year High Active Returns are more dispersed at either end, but skewed to the right-hand side.

10-Year Returns: Dispersion versus Histogram. Green lines = Median

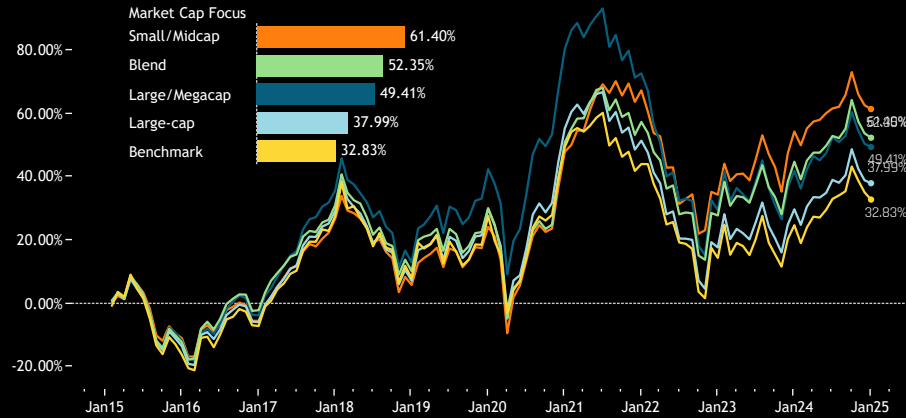


Source: Factset, Copley Fund Research

GEM Funds Positioning Chart Pack: The Small Cap Effect

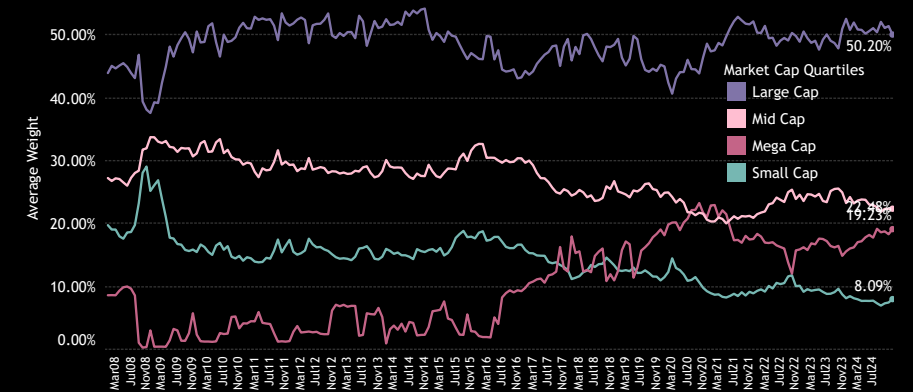
9. Small Funds have outperformed all other categories of fund over the past 10-years.

Average Cumulative Returns by Market Cap Focus Category, Last 10-years.



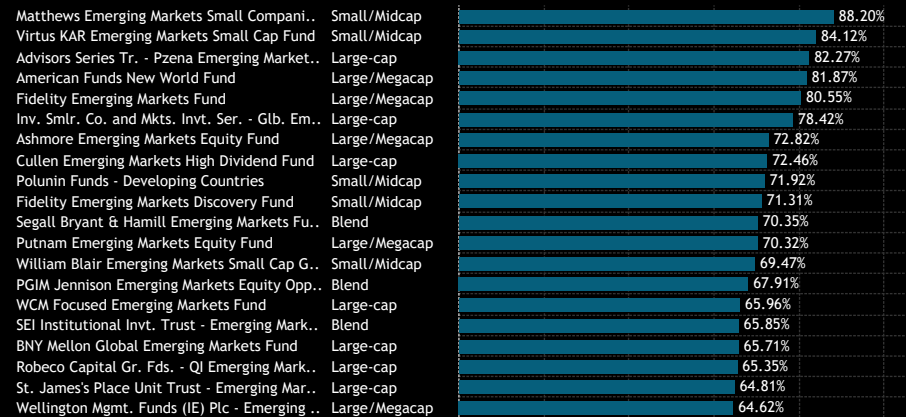
11. Despite this apparent performance advantage, average Small-cap and Mid-cap exposure in EM active funds has fallen to its lowest levels in history.

Average Fund Weight by Market Cap Size Category



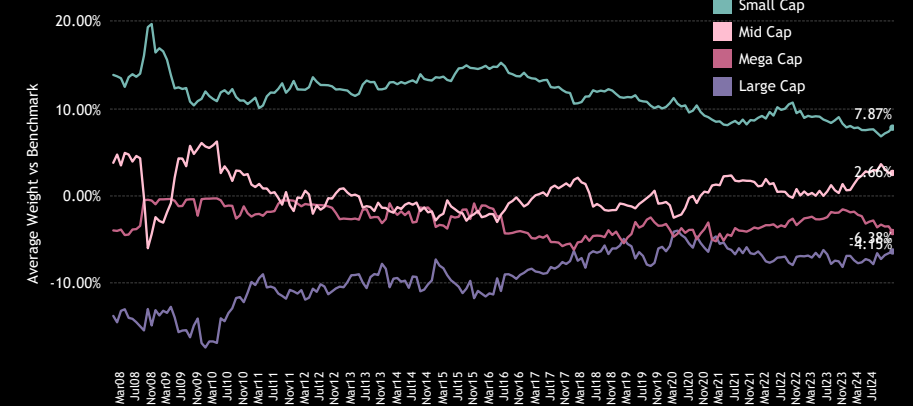
10. 8 of the top 20 performers over a 10 year period have been from either the Small/Midcap or Blend category.

10-Year returns by fund (USD).



12. Active EM funds still run an overweight in Small and Midcap stocks, but should this be more pronounced?

Average Fund Weight vs EEM by Market Cap Size Category

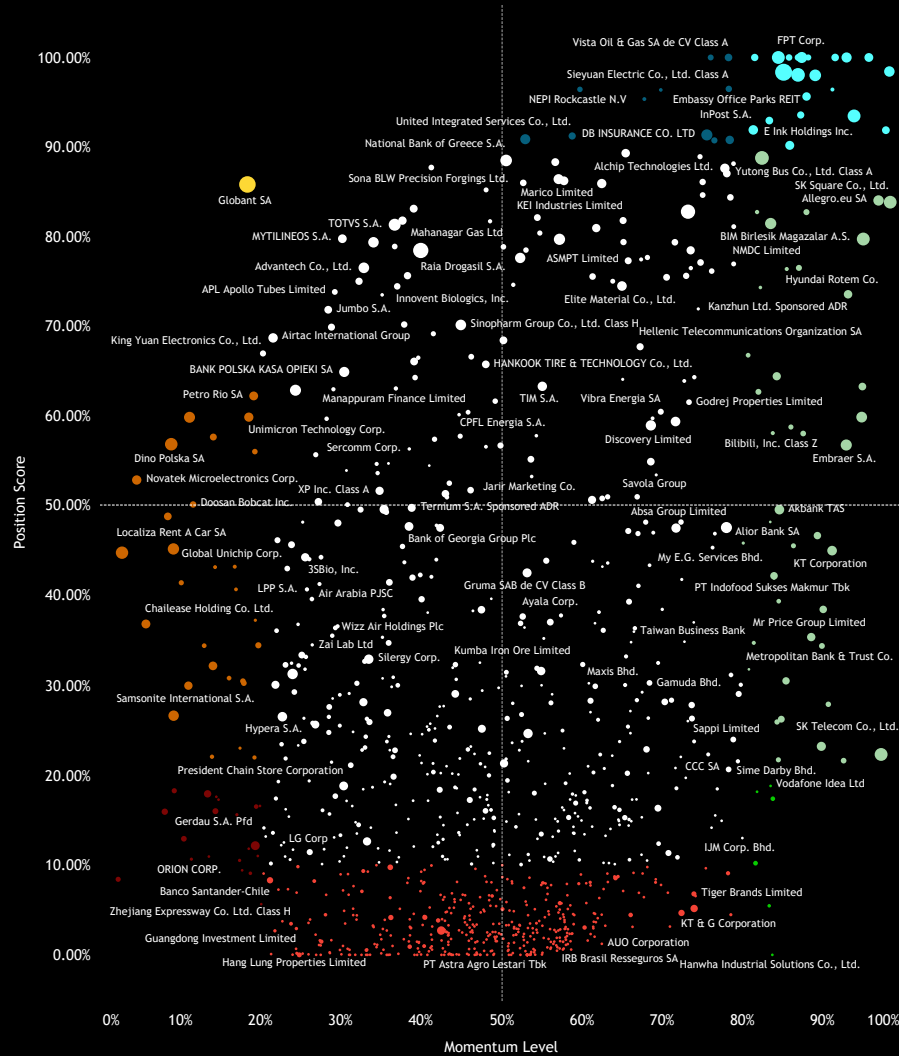


Source: Factset, Copley Fund Research

* Between 12/31/2023 and 12/31/2024

GEM Funds Positioning Chart Pack: The Small Cap Effect

13. Stocks within the Small/Midcap universe display varying levels of positioning and momentum. SK Telekom, Mr Price and KT Corp are seeing strong momentum from relatively low positioning levels.
Sentiment Grid (Small/Midcap stocks): Momentum measure taken between 12/31/2023 and 12/31/2024

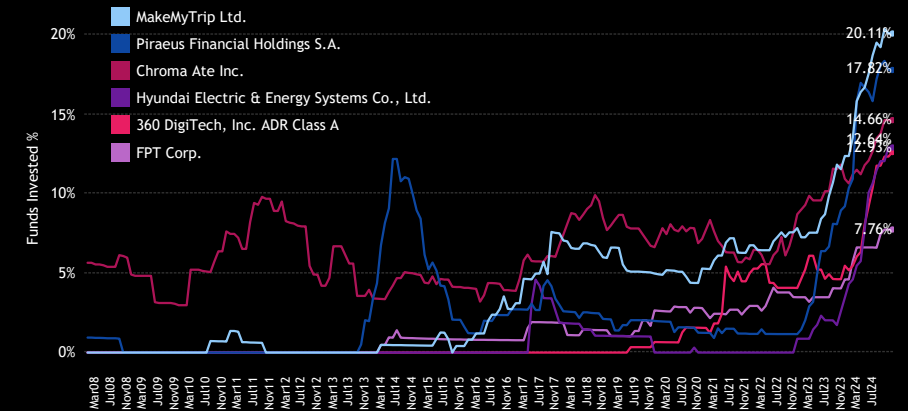


14. Raia Drogasil, B3 SA and Bank Polska head the list of most widely owned Small and Midcap stocks.
EM Small/Midcap Stocks: Aggregate Stock Ownership Statistics

Ticker	Stock Name	Funds Invested %	Average Weight %	Average Weight vs Bmark	Market Cap, \$
RADL3-BR	Raia Drogasil S.A.	29.31%	0.24%	0.18%	\$6.12B
005830-KR	DB INSURANCE CO. LTD	24.43%	0.13%	0.08%	\$4.94B
B3SA3-BR	B3 SA - BRASIL, Bolsa, Balcao	23.28%	0.16%	0.04%	\$9.06B
017670-KR	SK Telecom Co., Ltd.	23.28%	0.17%	0.15%	\$8.05B
TIMS3-BR	TIM S.A.	22.99%	0.09%	0.06%	\$5.67B
ETE-GR	National Bank of Greece S.A.	22.99%	0.14%	0.05%	\$7.26B
RIGHT-HU	Chemical Works of Gedeon Ri..	22.13%	0.20%	0.15%	\$4.88B
CLS-ZA	Clicks Group Limited	21.84%	0.21%	0.15%	\$4.71B
BIMAS E-TR	BIM Birlesik Magazalar A.S.	21.55%	0.17%	0.08%	\$9.08B
PEO-PL	BANK POLSKA KASA OPIEKI SA	20.98%	0.11%	0.03%	\$8.76B
RENT3-BR	Localiza Rent A Car SA	20.40%	0.13%	0.07%	\$5.64B
PZU-PL	Powszechny Zaklad Ubezpiec..	20.11%	0.08%	0.00%	\$9.58B
MMYT-US	MakeMyTrip Ltd.	20.11%	0.30%	0.30%	\$7.87B
VIPS-US	Vipshop Holdings Ltd Sponsor..	19.54%	0.12%	0.06%	\$6.26B
161390-KR	HANKOOK TIRE & TECHNOLO..	18.68%	0.06%	0.03%	\$3.23B
TOTS3-BR	TOTVS S.A.	18.39%	0.15%	0.12%	\$2.60B
EUROB-GR	Eurobank Ergasias Services & ..	18.39%	0.13%	0.05%	\$8.49B
2379-TW	Realtek Semiconductor Corp	18.39%	0.13%	0.02%	\$8.89B
S BSP3-BR	Companhia de Saneamento B..	18.10%	0.12%	0.03%	\$9.79B
CEMEXCPO-MX	Cemex SAB de CV Cert Part O..	18.10%	0.09%	-0.02%	\$8.50B

15. Small and Midcap stocks to watch in 2025. The 6 stocks below saw ownership move significantly higher in 2024 and stand at record levels today.

Percentage of Funds Invested: Selected Small/Midcap Stocks

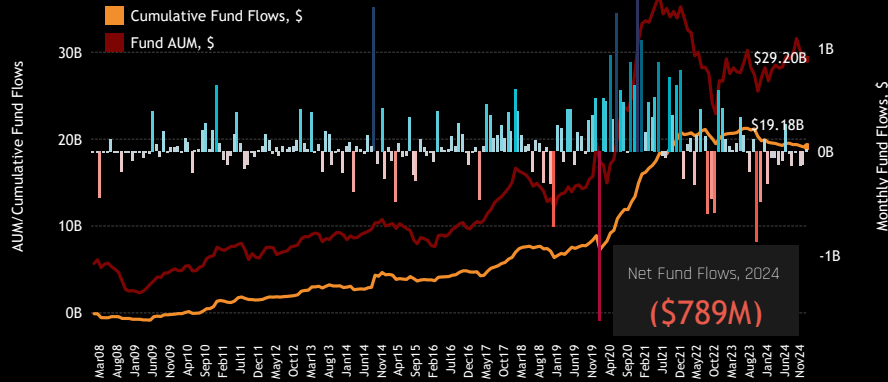


Source: Factset, Copley Fund Research
* Between 12/31/2023 and 12/31/2024

GEM Funds Positioning Chart Pack: Have we Seen Peak ESG?

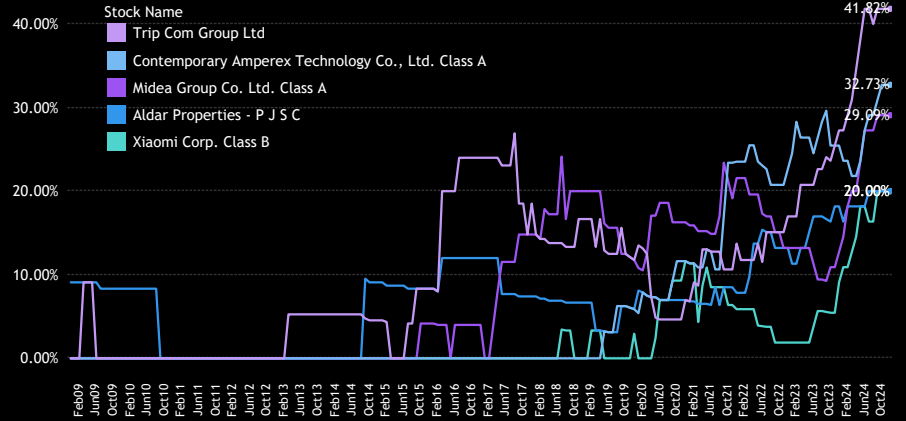
16. The big surge in ESG fund inflows between 2019 and 2022 has stalled. Outflows of \$790m seen in 2024. Have investors tired of the ESG narrative?

Active EM ESG Style Funds: Total Fund AUM, Cumulative and Monthly Fund Flows, \$



18. Select stocks have seen ownership levels increase among ESG funds in 2024.

Funds Invested: Stocks with large increases in ESG fund ownership.



17. It wasn't all bad news. Inflows were led by Polar Capital EM Stars and Robeco Sustainable EM. Outflows by Nordea EM Stars and Vontobel MTX Sustainable EM.

Current AUM vs Largest Estimated Fund Inflows and Outflows through 2024.

Fund Name	Fund AUM, \$	Estimated Fund Flows, \$
Polar Capital Funds Plc - Emerging Market Stars Fund	\$2,845.48M	\$1,262.51M
Robeco Capital Gr. Fds. - Sustainable Emerging Stars Eq.	\$265.30M	\$241.95M
East Capital - Global Emerging Markets Sustainable	\$389.99M	\$125.67M
Goldman Sachs Funds III - EM Enhanced Index Sustainable	\$1,527.67M	\$90.64M
AQR UCITS Funds - Sustainable Emerging Relaxed Constr.	\$772.65M	\$85.61M
GS Funds - Emerging Markets Equity ESG Portfolio	\$929.90M	\$64.66M
Swisscanto (LU) - Equity Fund Sustainable Emerging Mar.	\$702.83M	\$60.88M
Heptagon Fd. Plc - Driehaus Emerging Mkts. Sustainable	\$280.68M	\$56.03M
Ashmore SICAV - Emerging Markets Equity ESG Fund	\$61.43M	\$46.84M
Robeco Umbrella Fund I NV - QJ Emerging Sust. Cons. Eq.	\$278.21M	\$34.36M
LUX IM - ESG Global Emerging Equities	\$340.49M	(\$50.12M)
Vontobel Fund II - MTX Sustainable Emerging Markets Le.	\$223.33M	(\$54.62M)
DWS Invest - ESG Emerging Markets Top Dividend	\$103.16M	(\$83.76M)
Fisher Invt. Instl. Fds. Plc - Emerging Markets Eq. ESG F.	\$109.48M	(\$126.10M)
UBAM - Positive Impact Emerging Equity	\$334.26M	(\$150.74M)
DWS Invest - ESG Global Emerging Markets Equities	\$576.73M	(\$192.64M)
Candriam Sustainable - Equity Emerging Markets	\$2,446.37M	(\$329.60M)
Fidelity Funds SICAV - Sust. Emerging Markets Equity Fund	\$1,189.34M	(\$363.40M)
Vontobel Fund - mtx Sustainable Emerging Markets Lead...	\$3,065.02M	(\$611.53M)
Nordea 1 SICAV - Emerging Stars Equity Fund	\$1,579.09M	(\$666.83M)

19. The ESG Blacklist. Saudi Aramco, Vale and Larsen & Toubro are the largest benchmark names that are mostly avoided by active EM ESG investors.

ESG Blacklist: Stocks owned by <5% of ESG funds, ranked by their underweight vs the MSCI EM index.

Ticker	Stock Name	Funds Invested %	Average Weight %	Average Weight vs Bmark	Fund AUM \$
2222-SA	Saudi Arabian Oil Company (S...	0.00%	0.00%	-0.56%	\$0M
VALE3-BR	Vale S.A.	1.82%	0.02%	-0.37%	\$2M
500510-IN	Larsen & Toubro Ltd.	1.82%	0.01%	-0.36%	\$1M
KFH-KW	Kuwait Finance House K.S.C.	0.00%	0.00%	-0.32%	\$0M
PETR3-BR	Petroleo Brasileiro SA	1.82%	0.03%	-0.28%	\$2M
NBK-KW	National Bank of Kuwait K.S.C.	3.64%	0.02%	-0.28%	\$3M
1211-SA	Saudi Arabian Mining Co.	0.00%	0.00%	-0.23%	\$0M
532555-IN	NTPC Limited	0.00%	0.00%	-0.22%	\$0M
500875-IN	ITC Limited	0.00%	0.00%	-0.22%	\$0M
857-HK	PetroChina Company Limited ..	0.00%	0.00%	-0.22%	\$0M
2082-SA	International Company for W..	1.82%	0.00%	-0.20%	\$0M
532538-IN	UltraTech Cement Limited	3.64%	0.00%	-0.20%	\$3M
1088-HK	China Shenhua Energy Co. Lt..	0.00%	0.00%	-0.19%	\$0M
386-HK	China Petroleum & Chemical ..	0.00%	0.00%	-0.18%	\$0M
2010-SA	Saudi Basic Industries Corp.	3.64%	0.03%	-0.18%	\$2M
DELTA-TH	Delta Electronics (Thailand) P..	3.64%	0.01%	-0.17%	\$6M
500049-IN	Bharat Electronics Limited	0.00%	0.00%	-0.16%	\$0M
005490-KR	POSCO Holdings Inc.	0.00%	0.00%	-0.16%	\$0M
500470-IN	Tata Steel Limited	1.82%	0.00%	-0.16%	\$0M
QIBK-OA	Qatar Islamic Bank	3.64%	0.01%	-0.13%	\$4M
541154-IN	Hindustan Aeronautics Limited	0.00%	0.00%	-0.13%	\$0M
2899-HK	Zijin Mining Group Co., Ltd. ..	1.82%	0.01%	-0.12%	\$1M
5347-MY	Tenaga Nasional Bhd	3.64%	0.00%	-0.11%	\$1M
PTT-TH	PTT Public Co., Ltd.	1.82%	0.01%	-0.11%	\$7M
533278-IN	Coal India Ltd.	0.00%	0.00%	-0.11%	\$0M

Source: Factset, Copley Fund Research
* Between 12/31/2023 and 12/31/2024

GEM Funds Positioning Chart Pack: The Big Rotations in 2024.

19. There were some significant rotations among Country/Sectors in 2024. India Real Estate, South Korea Financials and Turkey Financials were among the winners, South Korea Materials, China Technology and China Health Care head the losers.

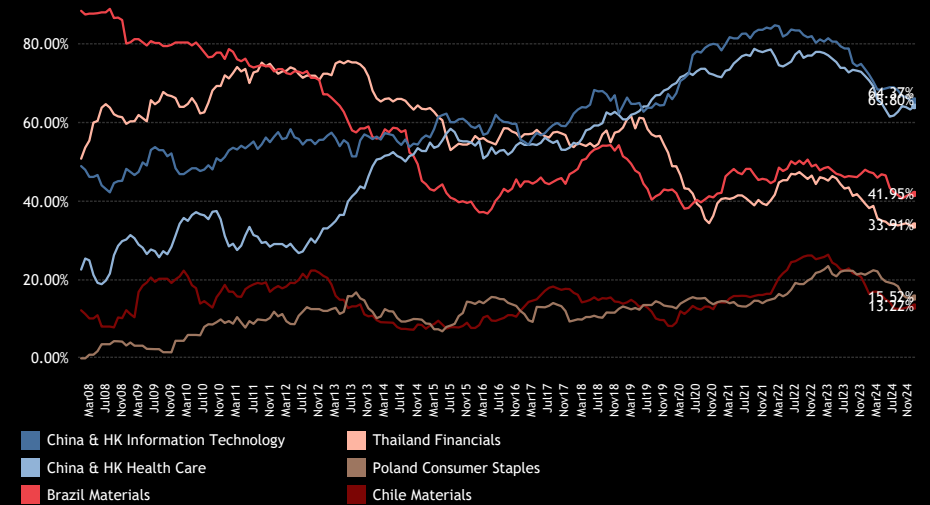
GEM Country/Sectors: Funds Invested Change*

	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industri..	Information Technology	Materials	Multi	Real Estate	Utilities
Argentina	0.86%	4.18%	-0.29%	1.72%	4.30%		0.29%	-2.93%	0.00%		0.29%	0.28%
Brazil	1.35%	-2.13%	-1.32%	-0.43%	-4.84%	-2.97%	3.56%	-2.39%	-6.17%	-0.58%	0.25%	4.20%
Chile	-0.29%	-1.48%	-0.60%	-0.59%	1.09%	0.00%	2.00%	0.00%	-5.51%	0.00%	-0.30%	-4.93%
China & HK	3.20%	-0.57%	-3.97%	-1.24%	-4.28%	-7.68%	-1.40%	-7.97%	-3.60%	0.86%	-3.31%	-2.99%
Colombia	0.00%	-0.29%	-0.87%	-1.45%	0.54%		0.00%		-0.29%	0.00%		0.57%
Czech Republic	0.00%	0.00%	0.00%	0.00%	-0.32%	0.00%		0.00%			0.00%	0.28%
Developed Markets	1.98%	-0.68%	-2.65%	-1.48%	-0.35%	0.27%	4.55%	-0.38%	-2.70%	0.57%	-0.30%	0.28%
Greece	1.41%	-2.37%	-1.73%	-3.47%	5.65%	0.00%	2.00%	0.00%	0.00%	0.00%	0.00%	-0.90%
Hungary	0.85%	0.00%	0.00%	-2.91%	0.78%	3.39%	0.29%		0.00%		0.00%	0.00%
India	11.66%	7.29%	-0.44%	0.14%	1.75%	4.43%	6.72%	3.81%	1.85%	0.86%	11.43%	9.96%
Indonesia	-4.99%	-1.18%	3.37%	1.13%	-1.68%	-0.89%	-1.49%	0.85%	0.25%	0.00%	1.42%	1.42%
Kuwait	0.57%	-0.01%	0.00%		0.84%		0.29%		0.00%		-0.58%	
Malaysia	3.42%	0.84%	-2.05%	-1.46%	6.82%	1.70%	3.10%	2.86%	-0.30%	0.29%	0.85%	6.01%
Mexico	-0.64%	1.41%	0.66%	2.00%	-2.21%	4.30%	-5.28%	-0.58%	-3.00%	0.29%	-3.53%	0.00%
Other Markets	-1.75%	0.00%	3.73%	0.28%	6.81%	-0.01%	-0.03%	7.97%	0.28%	0.28%	1.15%	-0.01%
Peru			0.00%		5.08%	0.86%	0.00%		2.84%	0.00%		0.00%
Philippines	3.44%	1.39%	-0.89%	-1.73%	5.39%		6.86%	0.00%	0.57%	0.00%	0.80%	0.85%
Poland	0.27%	7.43%	-5.81%	-1.18%	4.50%	0.00%	-0.02%	-1.46%	1.69%	0.00%	0.00%	-1.45%
Qatar	1.98%	0.29%	0.00%	1.71%	-0.90%	0.00%	-0.88%		-0.88%	0.00%	2.01%	-0.58%
Saudi Arabia	-1.21%	0.82%	-0.31%	-3.22%	3.62%	-3.21%	3.13%	-4.35%	-4.93%	-0.01%	0.56%	1.71%
South Africa	1.89%	-2.11%	4.79%	-0.87%	9.60%	4.28%	-0.59%	0.00%	0.46%	0.00%	0.83%	-0.29%
South Korea	0.47%	3.27%	-0.37%	-1.17%	11.91%	4.23%	7.35%	-1.72%	-15.93%	1.15%	0.00%	4.59%
Taiwan	-3.21%	-2.97%	0.80%	0.00%	1.35%	1.70%	-4.48%	0.29%	1.69%	0.57%	2.30%	0.00%
Thailand	2.83%	-2.62%	9.14%	-2.67%	-5.57%	1.94%	-2.90%	-2.32%	-3.20%	-0.29%	-0.62%	0.85%
Turkey	2.56%	0.83%	5.96%	1.40%	9.13%	1.43%	3.70%	0.57%	-0.87%	0.00%	0.00%	0.00%
United Arab Emirates	1.71%	-1.19%	2.01%	2.85%	3.07%	0.86%	-2.34%	-0.86%	-1.73%	0.00%	6.51%	0.00%
Vietnam		1.43%	0.55%	0.00%	2.57%	0.00%	0.00%	3.15%	-0.58%	0.28%	-0.59%	0.00%

Source: Factset, Copley Fund Research
* Between 12/31/2023 and 12/31/2024

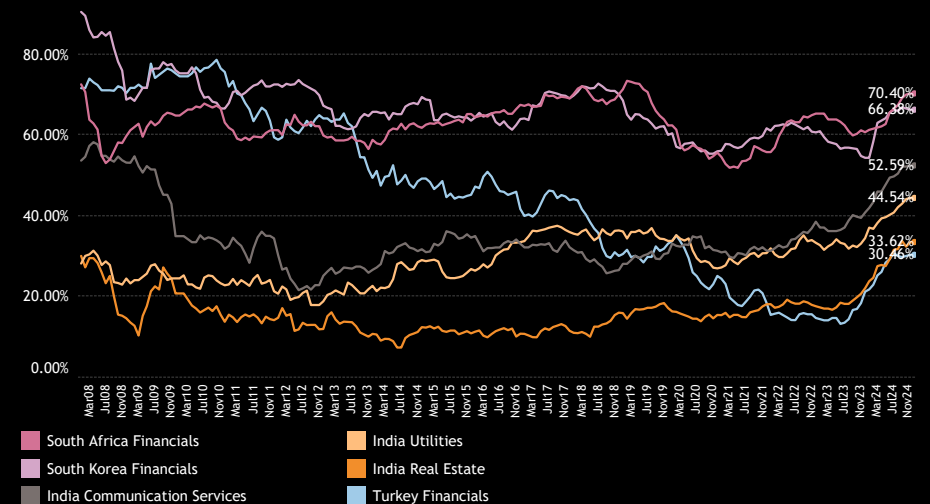
20. 6 Country/Sectors seeing the largest declines in ownership through 2024.

Funds Invested % over time: The 6 largest declines in 2024.



21. 6 Country/Sectors capturing large ownership increases in 2024.

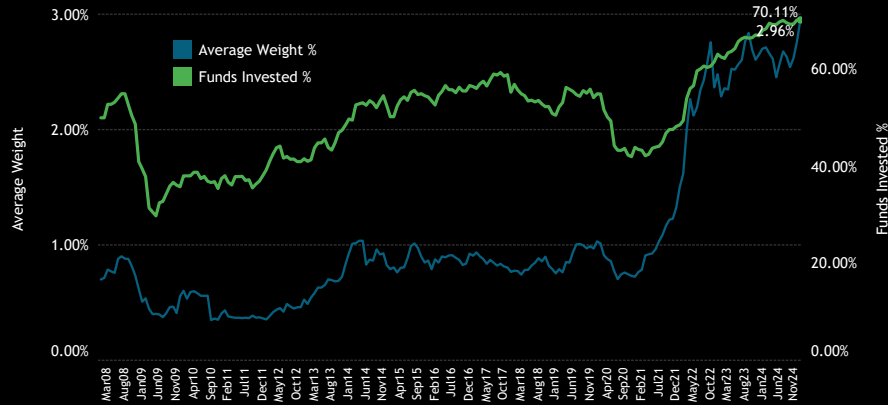
Funds Invested % over time: The 6 largest increases in 2024.



GEM Funds Positioning Chart Pack: GCC a Key Focus for EM Investors in 2025

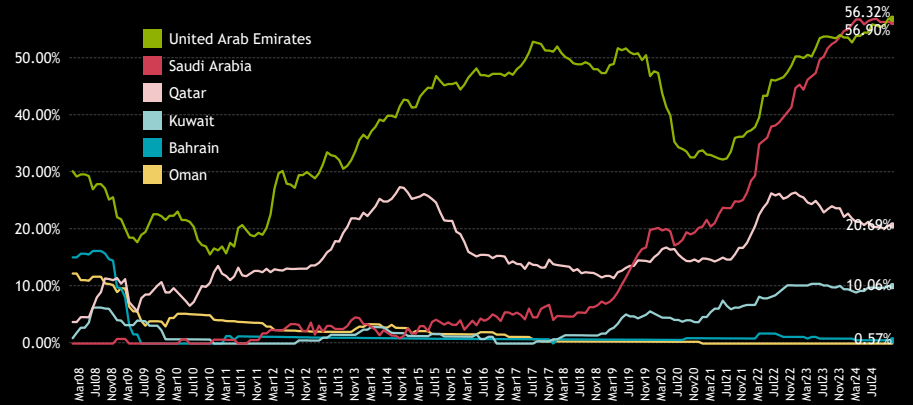
22. Average fund weights and the percentage of funds with exposure to GCC countries are at all-time highs.

GCC Region: Average Fund Weight vs Funds Invested



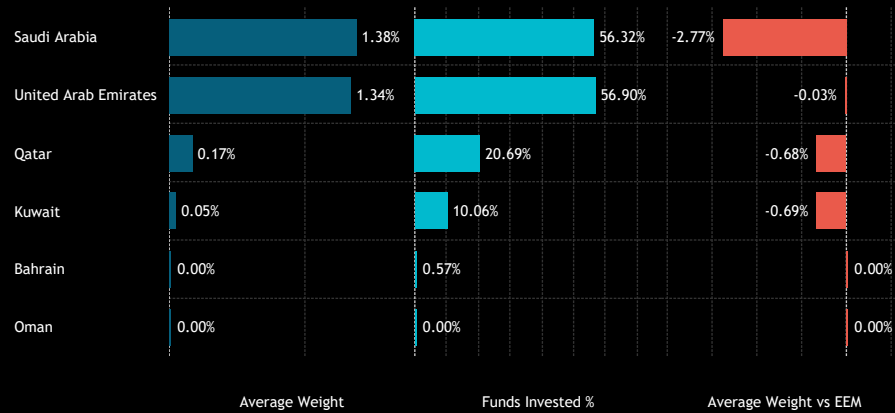
24. The U.A.E and Saudi Arabia surge to record levels of EM fund ownership. Qatar is on a downward path, whilst Kuwait struggle to attract investment. Oman and Bahrain out of the picture.

Funds Invested & over time: GCC Countries.



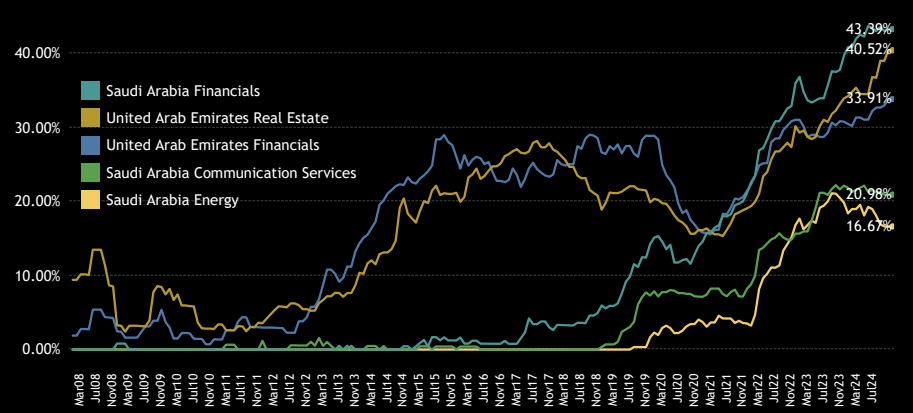
23. Saudi Arabia and the U.A.E are the dominant country exposures, yet Saudi is a significant underweight versus the iShares MSCI EM ETF.

GCC Countries: Average Weight, Funds Invested %, Average Weight vs EEM



25. Six key GCC Country/Sectors have underpinned the rise in Saudi and U.A.E investment, led by Saudi Financials and U.A.E Real Estate.

Funds Invested % time series: The 6 leading country/sectors.



Source: Factset, Copley Fund Research
* Between 12/31/2023 and 12/31/2024

GEM Funds Positioning Chart Pack: GCC a Key Focus for EM Investors in 2025

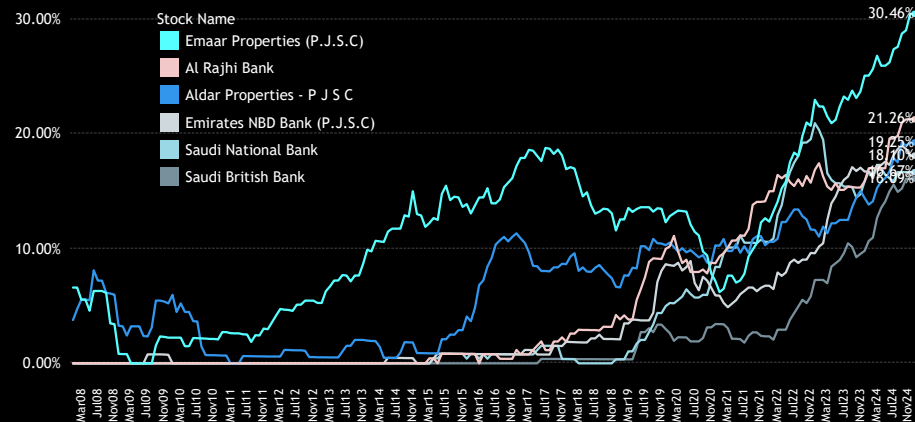
26. Emaar Properties and Al Rajhi Bank are the most widely owned stocks in the GCC Region. Saudi Aramco, National Bank of Kuwait and Al Rajhi Bank head the underweight holdings.

GCC Stocks: Aggregate Stock Ownership Statistics, ranked by most widely owned.

Ticker	Stock Name	Funds Invested %	Average Weight %	Average Weight vs Bmark	Fund AUM \$
EMAAR-AE	Emaar Properties (P.J.S.C)	30.46%	0.42%	0.12%	\$1,394M
1120-SA	Al Rajhi Bank	21.26%	0.25%	-0.39%	\$1,269M
ALDAR-AE	Aldar Properties - P J S C	19.25%	0.16%	0.06%	\$641M
EMIRATESNBD-AE	Emirates NBD Bank (P.J.S.C)	18.10%	0.13%	-0.02%	\$392M
1180-SA	Saudi National Bank	16.67%	0.13%	-0.21%	\$769M
1060-SA	Saudi British Bank	16.09%	0.07%	-0.04%	\$222M
7020-SA	Etihad Etisalat Co.	15.23%	0.08%	0.01%	\$253M
2222-SA	Saudi Arabian Oil Company (S..	14.37%	0.11%	-0.45%	\$948M
ADCB-AE	Abu Dhabi Commercial Bank	14.08%	0.07%	-0.04%	\$165M
ORDS-QA	Ooredoo Q.P.S.C	12.64%	0.04%	-0.00%	\$65M
EMAARDEV-AE	Emaar Development PJSC	11.49%	0.12%	0.12%	\$151M
ADIB-AE	Abu Dhabi Islamic Bank	11.21%	0.06%	-0.01%	\$107M
7010-SA	Saudi Telecom Co.	10.92%	0.07%	-0.20%	\$188M
QNBK-QA	Qatar National Bank QPSC	10.34%	0.05%	-0.24%	\$216M
1080-SA	Arab National Bank	9.20%	0.03%	-0.04%	\$71M
DIB-AE	Dubai Islamic Bank PJSC	8.91%	0.03%	-0.04%	\$111M
FAB-AE	First Abu Dhabi Bank P.J.S.C.	8.62%	0.03%	-0.18%	\$82M
7203-SA	Elm Company	8.33%	0.04%	-0.05%	\$105M
1150-SA	Alinma Bank	7.76%	0.03%	-0.09%	\$299M
1010-SA	Riyad Bank	7.76%	0.02%	-0.12%	\$67M
1050-SA	Banque Saudi Fransi	7.18%	0.01%	-0.06%	\$30M
4013-SA	Dr. Sulaiman Al-Habib Medica..	6.61%	0.03%	-0.05%	\$111M
2010-SA	Saudi Basic Industries Corp.	6.61%	0.03%	-0.18%	\$107M
EAND-AE	Emirates Telecommunication..	6.32%	0.02%	-0.18%	\$61M
NBK-KW	National Bank of Kuwait K.S.C.	6.03%	0.02%	-0.27%	\$110M

28. Top-tier stocks in the region show record ownership levels after sustained ownership increases.

Funds Invested % Time-Series: Top-Tier GCC Stocks.



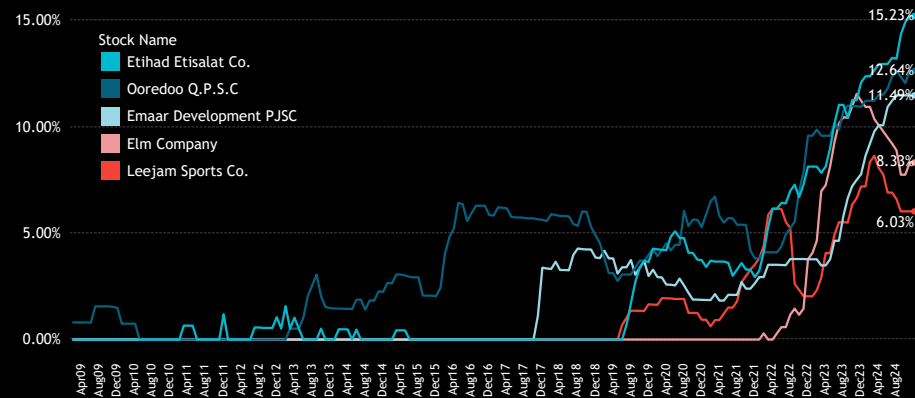
27. Saudi British Bank and Al Rajhi Bank saw the largest increases in ownership in 2024. Arabian Internet and Elm Company led the declines.

GCC Stocks: Funds Invested Change vs Estimate Fund Flows, *

Stock Name	Country	Funds Invested Change %	Estimate Fund Flows (\$M)
Saudi British Bank	Saudi Arabia	6.29%	\$77.78M
Al Rajhi Bank	Saudi Arabia	5.41%	\$203.57M
Emaar Properties (P.J.S.C)	United Arab Emirates	5.39%	\$53.22M
Aldar Properties - P J S C	United Arab Emirates	4.84%	\$215.15M
Abu Dhabi Islamic Bank	United Arab Emirates	3.71%	\$49.71M
Emaar Development PJSC	United Arab Emirates	3.71%	\$24.55M
Etihad Etisalat Co.	Saudi Arabia	3.13%	\$71.63M
ADNOC Drilling Company PJSC	United Arab Emirates	2.87%	\$224.27M
Riyad Bank	Saudi Arabia	2.86%	\$25.43M
Arab National Bank	Saudi Arabia	2.86%	\$40.78M
Arabian Contracting Services ..	Saudi Arabia	-2.02%	(\$18.74M)
Air Arabia PJSC	United Arab Emirates	-2.03%	(\$5.96M)
Saudi Telecom Co.	Saudi Arabia	-2.05%	(\$8.48M)
Arabian Drilling Co.	Saudi Arabia	-2.31%	(\$8.08M)
Mobile Telecommunications C..	Saudi Arabia	-2.31%	(\$4.55M)
Sahara International Petroch..	Saudi Arabia	-2.60%	(\$5.37M)
Dr. Sulaiman Al-Habib Medica..	Saudi Arabia	-2.61%	(\$34.49M)
Saudi Arabian Oil Company (S..	Saudi Arabia	-2.64%	\$267.05M
Elm Company	Saudi Arabia	-2.91%	(\$28.48M)
Arabian Internet and Commu..	Saudi Arabia	-5.19%	(\$19.92M)

29. Some 2nd-tier stocks such as Leejam Sports and Elm Company have seen declines, whilst Etihad Etisalat, Emaar Development and Ooredoo power to new highs.

Funds Invested % Time-Series: 2nd-Tier GCC Stocks.



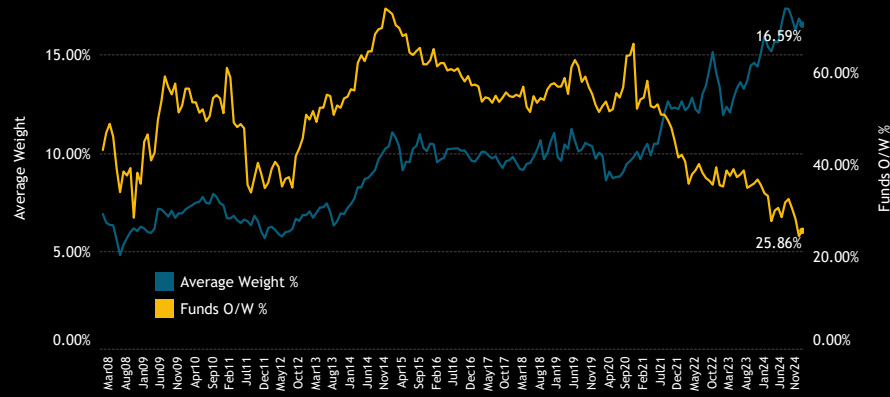
Source: Factset, Copley Fund Research

* Between 12/31/2023 and 12/31/2024

GEM Funds Positioning Chart Pack: Will the Indian Underweight Payoff in 2025?

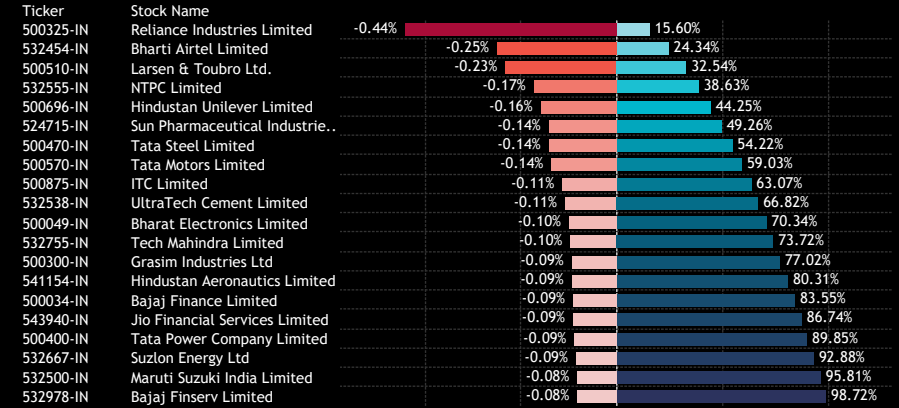
30. Average Indian exposure surpasses 15% in 2024 and sits near record highs. In contrast, the percentage of funds positioned overweight moves to record lows of just 25.9%.

India: Average Fund Weight vs Funds Overweight %



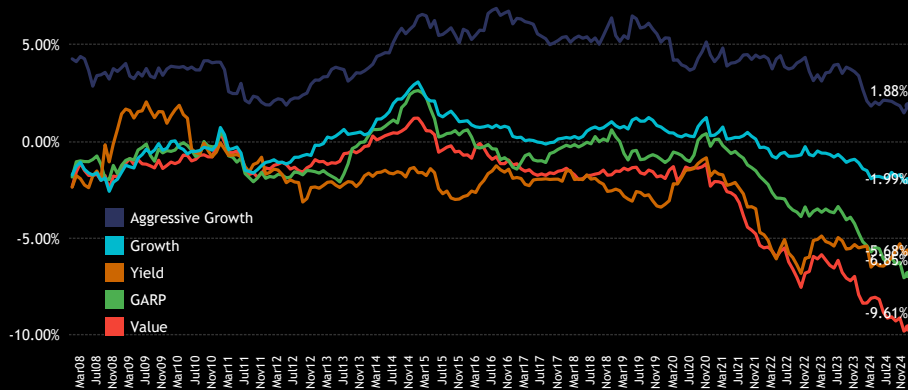
32. Split by stock, the 20 companies below make-up almost all of the net underweight in India. These companies need to underperform in 2025 for Indian positioning to work.

India: Average Weight vs EEM / Percentage of Total Underweight



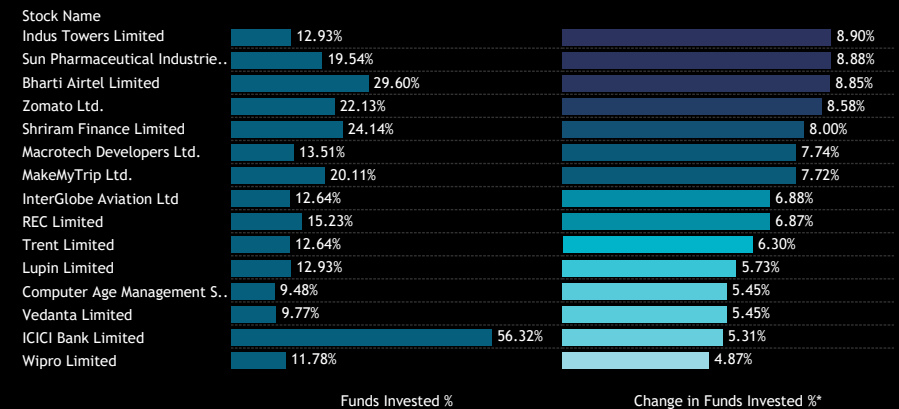
31. Split by Style, Value funds have hit record underweights of -9.61%. Valuations are proving difficult to justify for some investors.

India: Average Fund Weight vs EEM by Fund Style



33. The companies below saw the greatest increases in ownership in 2024, whilst most remain lightly held. Could they be the ones to watch in 2025?

Indian Stocks with the largest increases in ownership in 2024.

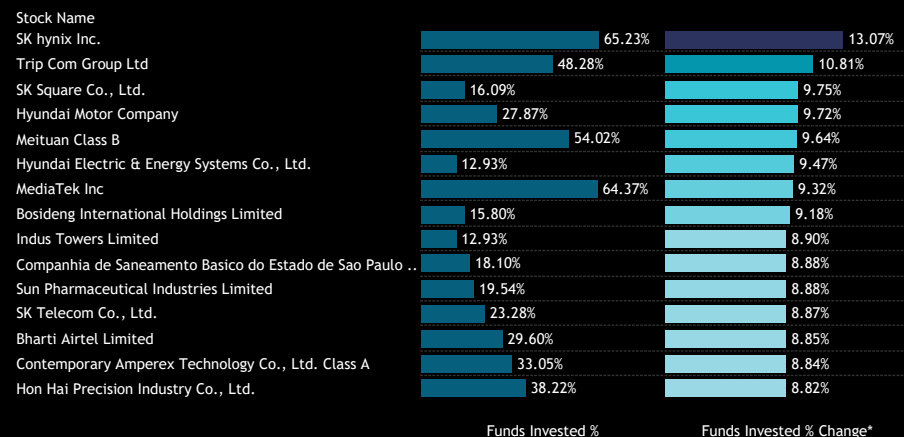


Source: Factset, Copley Fund Research
* Between 12/31/2023 and 12/31/2024

GEM Funds Positioning Chart Pack: Stock Rotation & Fund Flows

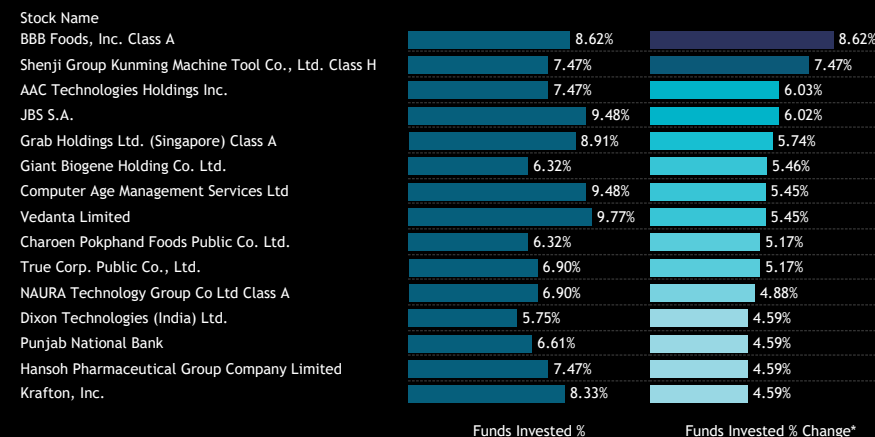
34. The below stocks saw the largest increases in net funds invested in 2024.

Largest increases in funds invested*



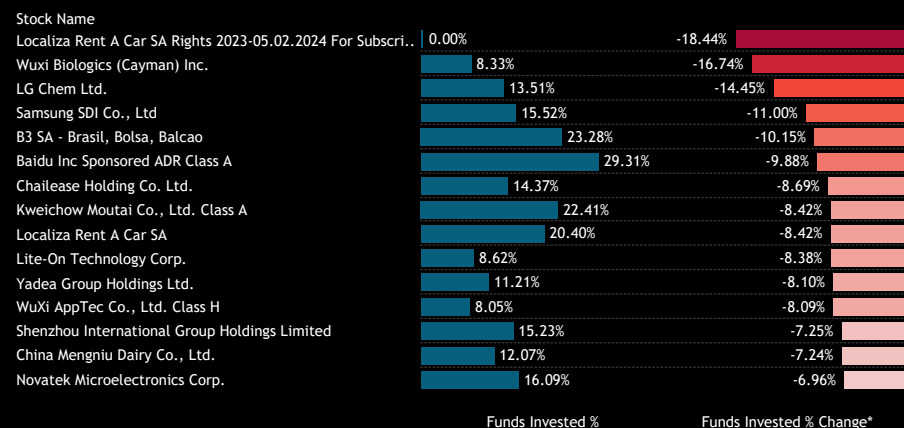
36. Growing but undiscovered. Stock with large increases in ownership but held by < 10% of funds.

Funds invested <10%. Largest increases in funds invested*,



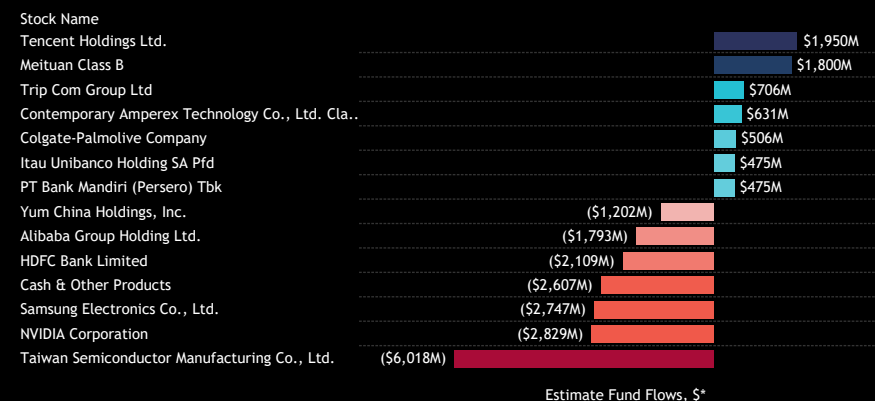
35. The below stocks saw the largest decreases in net funds invested in 2024.

Largest decreases in funds invested*



37. Tencent and Meituan captured the largest net fund inflows in 2024. TSMC, NVIDIA and Samsung Electronics suffered outflows.

Estimated Fund Flows, Top/Bottom 10*



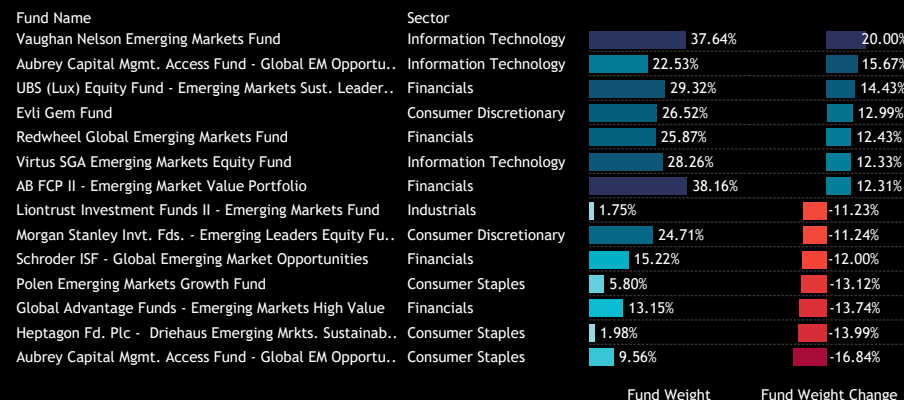
Source: Factset, Copley Fund Research

* Between 12/31/2023 and 12/31/2024

GEM Funds Positioning Chart Pack: Fund-Level Activity in 2024.

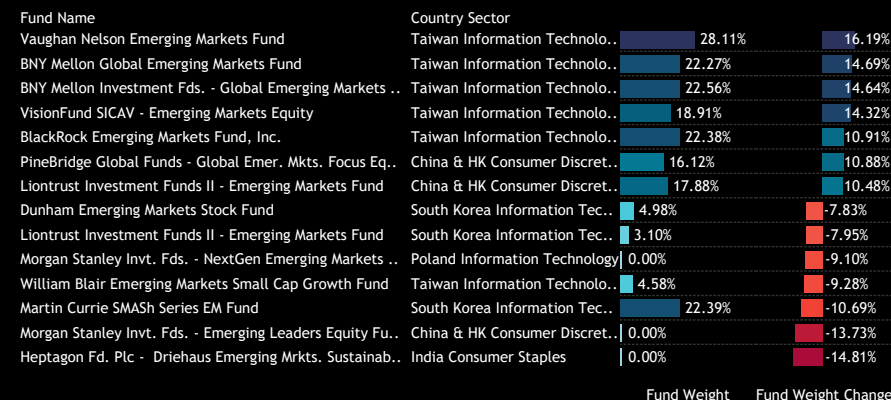
38. The Technology sector saw some large increases in weight at the fund-level. Consumer Staples suffered some of the larger decreases.

Largest Fund-level changes in sector weight.*



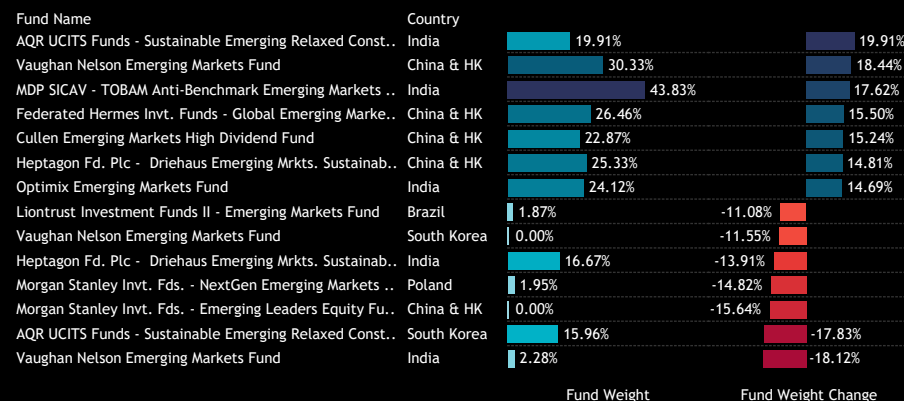
40. Taiwan Technology and China Consumer Discretionary lead the country/sector increases. South Korea Technology decreases were prevalent.

Largest Fund-level changes in /country/sector weight.*



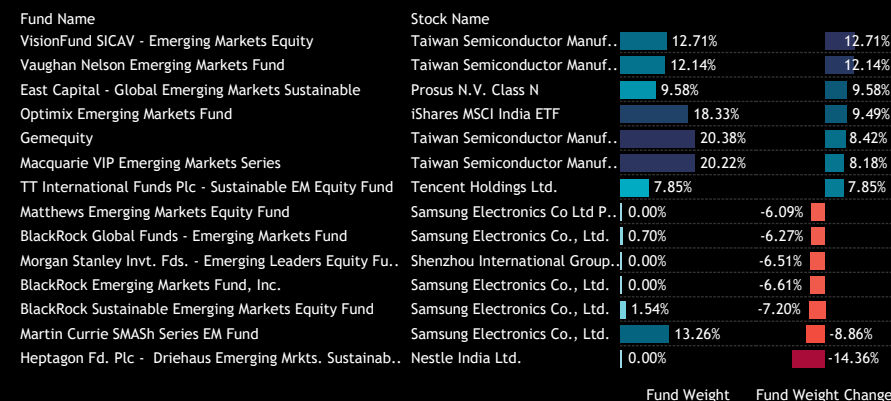
39. China & HK was among the larger positive country rotations. India and South Korea suffered some large decreases.

Largest Fund-level changes in country weight.*



41. TSMC vs Samsung Electronics. Big increases for the former, sizeable fund-level decreases for the latter.

Largest Fund-level changes in stock weight.*



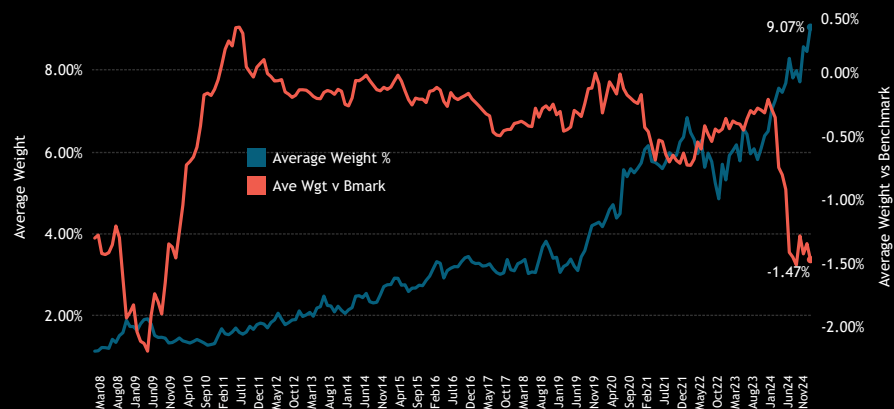
Source: Factset, Copley Fund Research

* Between 12/31/2023 and 12/31/2024

GEM Funds Positioning Chart Pack: TSMC - EM Investors Forced Underweight

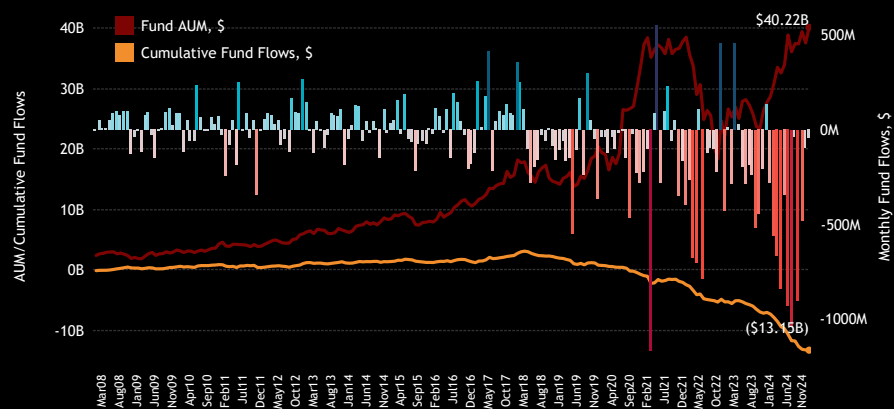
42. TSMC hits record high average fund allocation of 9.07%, yet EM funds switch to a sizeable underweight of -1.47%.

Taiwan Semiconductor Manufacturing Co., Ltd.: Average Fund Weight vs Average Weight vs EEM



43. The increased underweight in TSMC is a result of significant fund outflows that intensified over 2023/2024

Taiwan Semiconductor Manufacturing Co., Ltd.: Total Fund AUM, Cumulative and Monthly Fund Flows, \$



44. The 10% Ucits limit is proving problematic for EM investors. The largest fund outflows throughout 2024 were from funds hitting a 10% fund weight. Investors are being forced into a TSMC underweight.

Taiwan Semiconductor Manufacturing Co., Ltd.: Latest Fund Weight / Estimated Fund Flows*

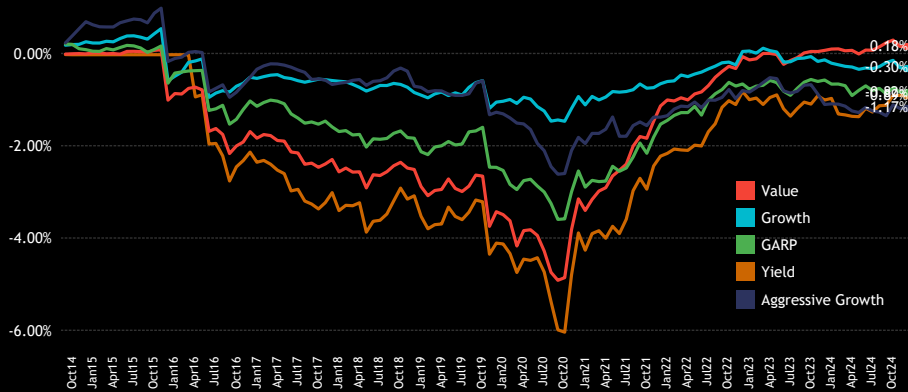
Fund Name	Latest Fund Weight	Estimated Fund Flows*
Invesco Developing Markets Fund	14.07%	(\$820.42M)
JPMorgan Emerging Markets Equity Fund	12.87%	(\$345.79M)
Principal Funds, Inc. - Origin Emerging Markets Fund	12.66%	(\$325.21M)
MFS Emerging Markets Equity Fund	10.23%	(\$283.05M)
BlackRock Global Funds - Emerging Markets Fund	10.28%	(\$194.03M)
Vontobel Fund - mtx Sustainable Emerging Markets Lea..	10.53%	(\$190.26M)
Schroder ISF - Emerging Markets	10.81%	(\$187.21M)
Federated Hermes Invt. Funds - Global Emerging Marke..	11.40%	(\$184.40M)
Fidelity Funds SICAV - Emerging Markets Fund	10.98%	(\$183.79M)
Baron Emerging Markets Fund	10.02%	(\$150.61M)
JPMorgan Funds - Emerging Markets Opportunities Fund	10.17%	(\$143.53M)
Nordea 1 SICAV - Emerging Stars Equity Fund	10.40%	(\$137.06M)
T Rowe Price Emerging Markets Stock Fund	13.97%	(\$136.36M)
St. James's Place Unit Trust - Emerging Markets Equity	3.45%	(\$133.39M)
Calvert Emerging Markets Equity Fund	11.23%	(\$130.13M)
Handelsbanken Tillvaextmarknad Tema	10.10%	(\$126.75M)
Fidelity Series Emerging Markets Fund	11.59%	(\$125.78M)
Allspring Emerging Markets Equity Fund	12.71%	(\$123.79M)
abrdr Emerging Markets Fund	12.42%	(\$123.71M)
Hartford Schroders Emerging Markets Equity Fund	12.28%	(\$120.31M)
American Century Emerging Markets Fund	11.61%	(\$112.75M)
JPMCB Emerging Markets Equity Focused Fund	14.97%	(\$109.17M)
Fidelity Advisor Focused Emerging Markets Fund	9.37%	(\$105.09M)
Harding Loevner Institutional Emerging Markets Portfolio	6.03%	(\$104.42M)
Candriam Sustainable - Equity Emerging Markets	10.97%	(\$97.26M)
GS Funds - Emerging Markets Equity Portfolio	10.26%	(\$94.25M)
Fidelity Funds SICAV - Sust. Emerging Markets Equity Fu..	9.86%	(\$91.92M)
Fidelity Institutional Funds - Emerging Markets Fund	13.26%	(\$83.55M)
BlackRock Emerging Markets Fund, Inc.	13.93%	(\$79.52M)
Fidelity Inv. Trust - Emerging Markets Opportunities Fu..	12.45%	(\$77.29M)
Baillie Gifford Overseas Growth Fund - Emer. Mkts. Lea..	10.98%	(\$72.85M)
Schroder ISF - Global Emerging Market Opportunities	10.61%	(\$66.24M)
Baillie Gifford Overseas Growth Funds ICVC - EM. Growth	10.24%	(\$62.86M)
Swedbank Robur Access Edge Emerging Markets	10.22%	(\$62.12M)
UBS (Irl) Investor Selection PLC - UBS Global EM Opport..	13.18%	(\$58.34M)
WCM Focused Emerging Markets Fund	13.04%	(\$57.46M)
Columbia Emerging Markets Fund	11.98%	(\$55.12M)
Celsius Invt. Fd. SICAV - Sustainable Em. Markets	10.18%	(\$54.41M)
Candriam Equities L - Emerging Markets	10.60%	(\$52.53M)
KBC Equity Fund - Emerging Markets Responsible Invest..	11.25%	(\$50.16M)

Source: Factset, Copley Fund Research
* Between 12/31/2023 and 12/31/2024

GEM Funds Positioning Chart Pack: Alibaba Group Holdings : Value Trap?

45. EM Value funds are the only Style group to maintain an overweight position on average in Alibaba Group Holdings

Alibaba Group Holding Ltd.: Average Fund Weight vs EEM



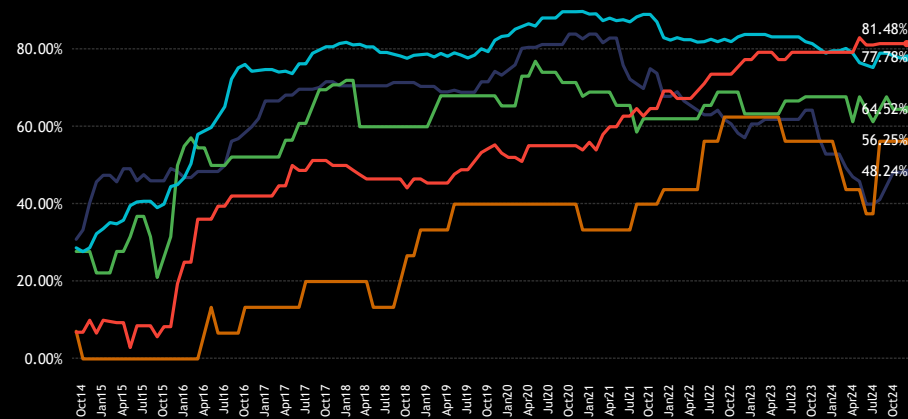
47. Will this be Alibaba's year? Value funds certainly think so. It is now the most widely held name alongside TSMC and Samsung Electronics heading in to 2025.

GEM Value Funds: Aggregate Stock Ownership Statistics

Ticker	Stock Name	Funds Invested %	Average Weight	Average Weight vs EEM	Fund AUM \$
9988-HK	Alibaba Group Holding Ltd.	81.48%	2.43%	0.18%	\$756M
2330-TW	Taiwan Semiconductor Manuf..	81.48%	6.56%	-3.98%	\$2,064M
005930-KR	Samsung Electronics Co., Ltd.	81.48%	2.01%	-0.24%	\$563M
BBAS3-BR	Banco do Brasil S.A.	59.26%	0.57%	0.48%	\$181M
700-HK	Tencent Holdings Ltd.	59.26%	1.76%	-2.79%	\$572M
9618-HK	JD.com, Inc. Class A	57.41%	0.88%	0.31%	\$205M
2317-TW	Hon Hai Precision Industry Co..	55.56%	0.83%	-0.08%	\$225M
BIDU-US	Baidu Inc Sponsored ADR Clas..	50.00%	0.62%	0.30%	\$198M
939-HK	China Construction Bank Corp..	50.00%	1.05%	0.01%	\$321M
2318-HK	Ping An Insurance (Group) Co..	50.00%	1.14%	0.62%	\$422M
105560-KR	KB Financial Group Inc.	50.00%	0.61%	0.34%	\$163M
OTP-HU	OTP Bank Nyrt	48.15%	0.58%	0.42%	\$173M
000270-KR	Kia Corp.	48.15%	0.54%	0.33%	\$249M
GFNORTEO-MX	Grupo Financiero Banorte SA..	46.30%	0.49%	0.27%	\$133M
2454-TW	MediaTek Inc	46.30%	0.72%	-0.14%	\$201M
000660-KR	SK hynix Inc.	46.30%	0.65%	-0.19%	\$122M
086790-KR	Hana Financial Group Inc.	44.44%	0.52%	0.37%	\$243M
VIPS-US	Vipshop Holdings Ltd Sponsor..	42.59%	0.35%	0.29%	\$150M
NPN-ZA	Naspers Limited Class N	42.59%	0.78%	0.29%	\$297M
KBANK-TH	Kasikornbank Public Co. Ltd.	42.59%	0.60%	0.56%	\$242M
CMIG4-BR	Companhia Energetica de Min..	42.59%	0.32%	0.27%	\$95M
500180-IN	HDFC Bank Limited	42.59%	0.78%	-0.74%	\$239M
161390-KR	HANKOOK TIRE & TECHNOLO..	42.59%	0.25%	0.23%	\$74M
PETR4-BR	Petroleo Brasileiro SA Pfd	40.74%	0.53%	0.20%	\$205M
1099-HK	Sinopharm Group Co., Ltd. Cl..	40.74%	0.36%	0.31%	\$51M
005830-KR	DB INSURANCE CO. LTD	40.74%	0.34%	0.30%	\$109M
EMAAR-AE	Emaar Properties (P.J.S.C)	38.89%	0.74%	0.44%	\$285M
BAP-US	Credicorp Ltd.	38.89%	0.61%	0.45%	\$133M
055550-KR	Shinhan Financial Group Co., ..	38.89%	0.42%	0.24%	\$126M
005935-KR	Samsung Electronics Co Ltd P..	38.89%	0.45%	0.13%	\$200M
3988-HK	Bank of China Limited Class H	37.04%	0.53%	0.05%	\$118M
RIGHT-HU	Chemical Works of Gedeon Ri..	35.19%	0.37%	0.32%	\$202M
ASII-ID	PT Astra International Tbk	35.19%	0.31%	0.23%	\$164M
532898-IN	Power Grid Corporation of In..	35.19%	0.28%	0.06%	\$86M
532281-IN	HCL Technologies Limited	35.19%	0.33%	0.05%	\$98M
017670-KR	SK Telecom Co., Ltd.	35.19%	0.40%	0.37%	\$47M
012330-KR	Hyundai Mobis Co., Ltd	35.19%	0.33%	0.20%	\$89M
PETR3-BR	Petroleo Brasileiro SA	33.33%	0.40%	0.09%	\$82M
EMIRATESNBD-AE	Emirates NBD Bank (P.J.S.C)	33.33%	0.33%	0.19%	\$102M
BBRI-ID	PT Bank Rakyat Indonesia (Pe..	33.33%	0.42%	0.20%	\$161M

46. A record 81.5% of EM Value funds now hold exposure to Alibaba, more than any other Style group.

Alibaba Group Holding Ltd.: Funds Invested %



Source: Factset, Copley Fund Research

* Between 12/31/2023 and 12/31/2024

Methodology

Copley uses Factset Ownership data for the majority of its source holdings. This data benefits from various inputs such as fund interim and monthly statements, 13F Forms, and other timely sources utilized by Factset. For US funds, data is usually updated quarterly with varying degrees of lag. However, due to agreements with asset management firms and the incorporation of press releases, Factset often provides updates more quickly. By leveraging these additional sources, Factset ensures a shorter time lag for many data points beyond the standard quarterly fund statements. Copley uses the latest published holdings for each fund and adjusts weights based on price movements between the last filing and the end of the most recent month. The typical average lag ranges from 60 to 90 days depending on the time of year.

For benchmark comparisons, we use the iShares MSCI Emerging Markets ETF, proportionally adjusted to remove any cash holdings. All Fund Flow calculations are on a best estimates basis. We use monthly position changes and month end prices to estimate the net buying and selling value for each stock within each fund in our analysis.

Appendix 2

Calculations

Copley uses 6 key measures of fund ownership throughout our analysis. Our chart packs presents these metrics in formats such as time series, snapshots at specific points, or comparisons between two time periods.

Average Weight: The sum of all fund weights in any dimension (region, country, sector, industry, stock) divided by the total number of funds (348) in the analysis.

Funds O/W: The total number of funds with a larger weight in any dimension than the iShares MSCI Emerging Markets ETF, divided by the total number of funds (348) in the analysis.

Average Weight vs EEM: The average weight minus the weight in the iShares MSCI Emerging Markets ETF (cash removed and weights adjusted).

AUM, \$: The combined AUM allocated to a particular dimension across the 348 active GEM funds in our analysis, in US Dollars

Funds Invested %: The total number of funds with any exposure to a dimension divided by the total number of funds (348) in the analysis.

Estimate Fund Flows, \$: The difference in share quantity between 2 periods for each stock in a fund multiplied by the price. These figures are rolled up to provide aggregate fund flows across countries, sectors and stocks.

Style Classifications

Each fund is split into a Style category based on the P/E and P/B ratios of their portfolio compared to the benchmark

Aggressive Growth: At least 70% of the portfolio in stocks with a higher P/E than the iShares MSCI Emerging Markets ETF average, and at least 70% with a higher P/B ratio.

Growth: At least 50% of the portfolio in stocks with a higher P/E than the iShares MSCI Emerging Markets ETF average, and at least 50% with a higher P/B ratio.

Value: Either by the fund description, or at least 50% of the portfolio in stocks with a lower P/E ratio than the iShares MSCI Emerging Markets ETF average, and at least 50% with a lower P/B ratio

Yield: As per the fund description only (i.e Yield, Dividend, Income funds).

GARP: All other iterations that do not fit under the above classifications.

Fund P/E vs P/B
Size of Bubble = Dividend Yield



Appendix 4

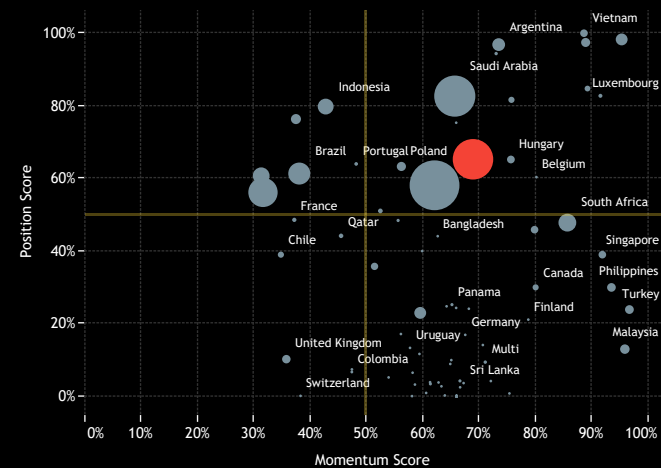
Sentiment Grid

We use the Sentiment Grid in our analysis as a way of combining long-term positioning with shorter dated manager activity across all dimensions (country, sector, stock). Here we outline the metrics that go in to the Sentiment Grid calculation.

The Y-Axis measures where today's ownership levels in each dimension sit relative to the long-term range. We calculate the Z-Score of today's average weight, funds invested % and funds o/w % relative to all monthly observations in our fund history (going back to 1/31/2008). A figure close to 100% would indicate today's positioning is close to its maximum ever level, a figure close to zero, the lowest.

The X-axis provides a measure of short-term fund activity, or 'Momentum', by looking at the changes in average weight, funds invested %, funds o/w % and the net buyers vs sellers between 12/31/2023 and 12/31/2024, relative to each dimension. A figure above 50% means a dimension has seen relative increases in ownership, a figure below 50% indicates a relative decrease in positioning. The size of the bubble represents the average weight of each dimension

Country Sentiment Grid
Momentum Measure Between 12/31/2023 - 12/31/2024



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