

## Genesis Investment Management, LLP

Emerging Markets Equity: MSCI EM Benchmark

For the month of: **April** **2023**

### Manager Performance Calculations

\* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Genesis	-1.13%	-5.82%	-1.37%	2.16%	-1.19%
MSCI EM	-1.11%	-4.68%	-6.09%	4.71%	-0.67%

### Country Allocation Comparison

<u>Over-weight</u>	<u>Genesis</u>	<u>EM</u>	<u>Under-weight</u>	<u>Genesis</u>	<u>EM</u>
Mexico	7.75%	2.74%	India	7.42%	13.69%
South Africa	6.39%	3.57%	Saudi Arabia	-	4.21%
Argentina	2.39%	-	Taiwan	10.63%	14.78%

### Performance Attribution & Strategy Comments

Emerging markets gave back part of last month's small gain, slipping 1.1% in April. The larger North Asian countries all declined, South Korea -1%, Taiwan -4% and most notably China, which was the weakest market in the EM Index, falling 5%. Most other markets were in positive territory, led by Eastern European trio of Poland, Hungary and the Czech Republic which all climbed 9%-13%. The UAE (+9%) and Saudi Arabia (+6%) were also prominent. The portfolio closed the month in line with the index, falling 1.1%.

Consumer holdings dominated the portfolio's positive contributors as non-benchmark positions Heineken and Delivery Hero climbed 7% and 17% respectively, whilst Mexican holdings Kimberly Clark (+9%) and Gruma (+7%) also generated notable share price performance. In addition to these, several financial names contributed to the portfolio's return, namely insurance provider Prudential (+11%), Indian bank HDFC (+5%) and Brazilian fintech Nu (+8%). On the other hand stock and market performance in China detracted. Chinese e-commerce retailers JD.com and PDD dropped 20% and 10% respectively, internet giant Tencent fell 11%, whilst consumer name Anta also took a hit falling 15%. Other detractors included Taiwanese semiconductor companies Parade Tech (-12%) and TSMC (-7%).

Looking at relative performance, 35bps was lost in China through a combination of being overweight in the weakest market this month and the underperforming portfolio holdings noted above. The portfolio also lost 40bps in India and a further 45bps due to a lack of exposure to the outperforming GCC markets. Turning to gains, Mexico added 45bps, mostly through stock performance, and the share price returns of Heineken and Delivery Hero added 50bps in aggregate. By sector, gains in consumer staples (+85bps) and financials (+25bps), were offset by losses in almost all other sectors, most notably through the lack of exposure in energy (-35bps).

### Manager Style Summary

Genesis utilizes a "bottom-up" investment approach, where security selection is based on individual stocks rather than country or regional prospects. An unusual aspect of their style is that they limit the countries within their universe to the World Bank list of emerging markets (based on per capita GDP), rather than the standard EM indices. Thus, some of the countries within the EM indices are not a major focus. Their unique style tends to avoid fast-growing countries included in the EM indices or country or regional successes rather than individual companies (i.e. Asia). Consequently, they can have periods of underperformance when these types of countries perform well.

**Genesis Investment Management, LLP**

Emerging Markets Equity: MSCI EM Benchmark

**Portfolio Guideline Compliance**

<b>Portfolio Guideline:</b>	<b>Genesis</b>	<b>Compliance</b>
B2. Country allocations <=15% of value at cost		ok
B3. EAFE securities <=10% of value at cost		ok
B4. Security position <=4% of the account at purchase		ok
B5. Number of Issues > 75	61	check
C1. Currency or cross-currency position <= value of hedged securities		ok
No executed forward w/o corresponding securities position		ok
C2. Maximum forward with counterpart <= 30% of total mv of account		ok
F2. Annual Turnover <= 100%	18%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**Manager Explanations for Deviations from Portfolio Guidelines**

B5. Number of Issues: In line with Global EM portfolios managed by Genesis while taking into account Portfolio Guidelines.

**Total Firm Assets Under Management (\$m) as of:** Qtr 1 \$ 7,197

**Organizational/Personnel Changes**

There were no changes to the investment team during the month.

**Account Turnover**

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				