

# Be a part of the world's fastest growing economies

## Pendal Global Emerging Markets Opportunities Fund

Formerly known as the BT Global Emerging Markets Opportunities Fund – Wholesale

In a lower growth, lower return world, many investors are looking for diversification benefits and opportunities not readily available from developed market exposure.

### Why emerging markets?

A typical investor's portfolio may include a significant exposure to global equities. The reason is simple: a broader opportunity set. The global investment universe covers 23 developed and 23 emerging market countries. Emerging markets have provided an average level of economic growth since 2000 far higher than most developed markets. Emerging markets may also offer lower valuations and attractive return possibilities. Active investment managers with strict investment processes at the country, industry and stock level can exploit these significant opportunities and potentially enhance long term portfolio returns.

## Benefits of emerging markets



### Potential for higher growth

Emerging markets offer investors potential for economic dynamism and growth in excess of that in the developed world. This has contributed to better returns than developed markets over the long term.<sup>1</sup>

#### Real GDP growth, average over 10 years to June 2018 (%)<sup>2</sup>



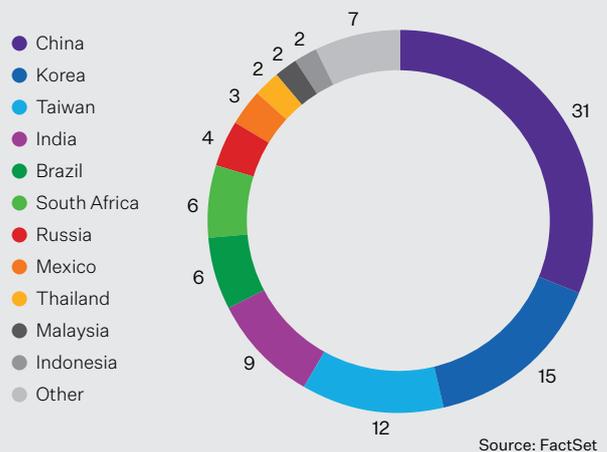
#### MSCI Emerging Markets net returns versus MSCI World net returns (AUD)



### Diversification

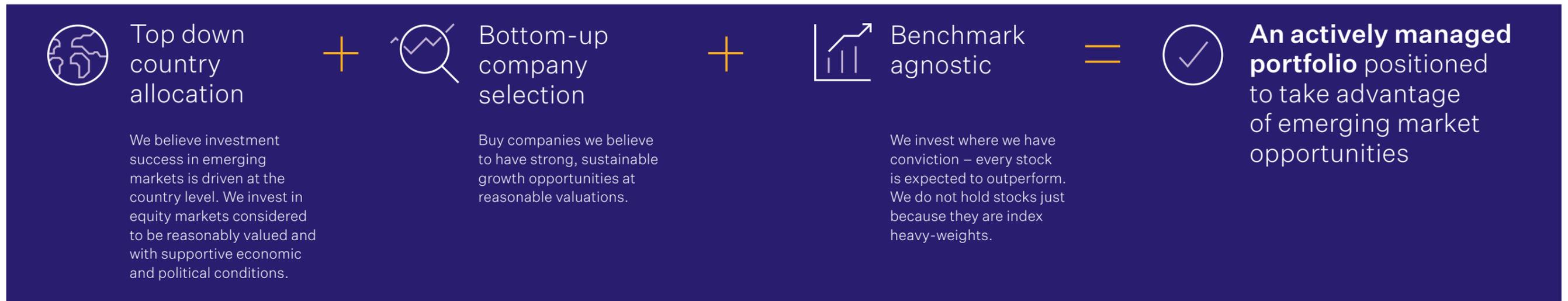
In practice, the 23 countries in the MSCI Emerging Markets Index are a study in contrasts. The Index includes four of the five largest countries in the world by population, as well as tiny countries like Qatar. Some countries like South Africa depend on mining, others like Korea have highly advanced technology sectors. Each country also presents specific political and cultural attributes.

#### MSCI Emerging Markets Index country breakdown (%)



<sup>1</sup> Past performance is not a reliable guide to future performance.  
<sup>2</sup> Regional aggregates are calculated using real GDP geometric averages.

# Introducing the Pental Global Emerging Markets Opportunities Fund (GEMO), a high conviction benchmark-agnostic actively managed portfolio of emerging market shares



## Why is an active approach crucial in emerging markets?

Many investors, understandably, want to take advantage of the potentially higher levels of growth that may be available in emerging markets. However, doing so is easier said than done. Passive and semi-passive approaches to emerging markets often lack the ability to avoid countries which may be bad investments at a particular time; for example, periods of political and social unrest.

We believe investments in emerging markets need to be backed by intense research at the country and stock levels to understand where the opportunities – and risks – lie.

Our active investment process for global emerging market shares aims to concentrate the Fund's investments in those countries which offer the best opportunities, while avoiding those countries where the risks outweigh the reward.

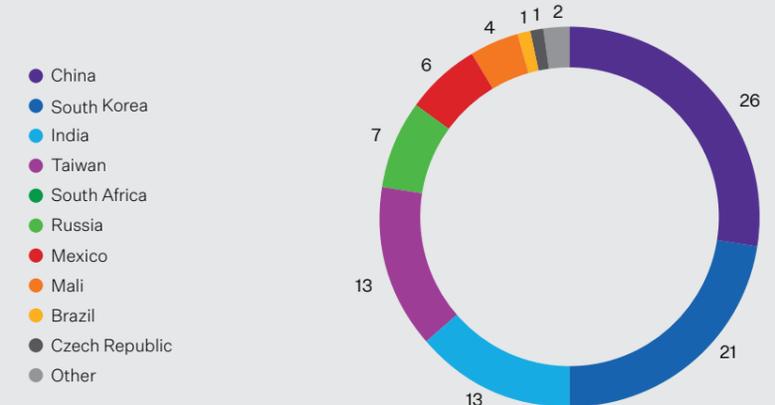
Our country allocation process is based on analysis of a country's economic growth, monetary policy, market liquidity, currency, governance/politics and equity market valuation. The stock selection process focuses on buying quality growth stocks at attractive valuations.

## The Fund offers you...

- Experience**  
A highly experienced team focussed on this strategy.
- Performance**  
Up to date performance can be found in the GEMO Fund Fact Sheet at [pentalgroup.com/products](http://pentalgroup.com/products). Past performance is not a reliable indicator of future performance.
- Access**  
Get access to high growth countries that can be difficult to invest in directly, and well-known companies such as Samsung, China Mobile and Tata Motors.
- A different approach**  
This strategy often avoids many of the countries in the index and concentrates on the very best stock ideas. This high-conviction, country-focused strategy is a rare approach to emerging market investment

## Giving you access to:

a broad cross-section of countries...  
as at 30 September 2018



...and some of the most exciting companies on the planet

Top 10 holdings		as at 30 September 2018
Company	Fund Allocation %	
Samsung	9.3	
Naspers	5.5	
China Mobile	4.7	
CNOOC Limited	4.2	
Sinopec	4.0	
Hengan	3.3	
Sberbank	3.0	
Sk Telecom	2.9	
Walmart	2.9	
Hon Hai Precision Industry	2.8	



J O Hambro Capital Management is a performance led, multi-boutique asset manager headquartered in London.

**“We believe an Emerging Markets strategy should be run by specialists – not as an ‘add-on’ to a global equity capability”.**

**James Syme**  
Senior Fund Manager – JOHCM

## Meet the portfolio managers

- Launched in London in 1993, JOHCM has evolved into a global business managing money for clients worldwide, with asset under management as at 30 September 2018 of approximately \$54.9 billion.
- Since October 2011 JOHCM has been a wholly owned subsidiary of Pental Group Limited.
- Performance-led remuneration and capacity discipline aligns interests of fund managers and clients.



James Syme



Paul Wimborne



Ada Chan

**James Syme** and **Paul Wimborne** have been investing in emerging markets strategies for 20 and 16 years respectively. They gain further insight and ideas from JOHCM's broader equity team of 14 people across Asian and global markets. Together, they ran Baring Asset Management's Global Emerging Markets Equity capability from 2006-2010, before joining JOHCM in 2011. Their strategy combines a high conviction, benchmark agnostic approach to stock selection, combined with a risk-aware portfolio construction process.

**Ada Chan** joined the team in 2016, bringing 16 years of international equity investing experience.

## What you need to consider before you invest

All investments carry risk. The likely investment return and the risk of losing money is different for each managed investment scheme as different strategies carry different levels of risk depending on the underlying mix of assets that make up each fund. Those assets with potentially the highest long term return (such as shares) may also have the highest risk of losing money in the shorter term. While we use our expertise to manage risk, risks cannot be completely eliminated. The value of an investment will go up and down, returns will vary and are not guaranteed, and future returns may be different from past returns. The risks include those associated with markets, specific securities, exchange rates, interest rates, political and economic uncertainties, lower regulatory supervision, more volatile less liquid markets compared with Australian investments, counterparties, the use of leverage or a departure of a key manager.

For more information call us on 1800 813 886  
or visit [pentalgroup.com](http://pentalgroup.com)

**PENTAL**

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