

**SHINING A LIGHT ON THE.....**  
**T. Rowe Emerging Markets Equity Fund**

**AT A GLANCE**

Investment Objective
The Fund's objective is to provide long-term capital appreciation by investing primarily in a widely diversified, global portfolio of transferable equity and equity-related securities of companies incorporated, or conducting the predominant part of their business activity, in the economically emerging countries of Latin America, Asia, Europe, Africa and the Middle East.

<b>Inception Date</b>	2 December 2013
<b>Fund Factsheet Link</b>	<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=FOGBR04NCY">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=FOGBR04NCY</a>

Management	
<b>Manager Name</b>	<b>Start Date</b>
Gonzalo Pangaro	31 March 2009

Investment Style Details	
<b>Equity Style</b>	
<b>Market Capitalisation</b>	<b>% of Equity</b>
Giant	61.39%
Large	30.15%
Medium	8.05%
Small	0.42%
Micro	0.00%

Top 10 Holdings		
<b>Total number of holdings</b>	84	
<b>Assets in Top 10 Holdings</b>	45.69%	
<b>Name</b>	<b>Sector</b>	<b>% of Assets</b>
Tencent Holdings Ltd	Communication Services	8.07%
Alibaba Group Holding Ltd ADR	Consumer Cyclical	8.04%
Taiwan Semiconductor Manufacturing Co...	Technology	6.76%
Samsung Electronics Co Ltd	Technology	5.79%
LG Household & Health Care Ltd	Consumer Defensive	3.26%
Sberbank of Russia PJSC ADR	Financial Services	3.08%
AIA Group Ltd	Financial Services	2.99%
Ping An Insurance (Group) Co. of Chin...	Financial Services	2.90%
Largan Precision Co Ltd	Industrials	2.54%
Itau Unibanco Holding SA Participatin...	Financial Services	2.27%

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## FUND PERFORMANCE

Performance from 1 January 2014 to 30 June 2020:

	2014	2015	2016	2017	2018	2019	2020
<b>T Rowe Emerging Markets Equity Fund</b>	8.10%	-6.43%	33.93%	30.56%	-10.69%	21.34%	-3.51%
<b>iShares MSCI EM ETF</b>	2.62%	-11.15%	33.56%	24.43%	-9.25%	12.62%	-4.34%

Performance since launch.

	12 months	3 years	5 years	10 years
<b>T Rowe Emerging Markets Equity Fund</b>	1.29%	19.76%	67.43%	94.88%
<b>iShares MSCI EM ETF</b>	-1.40%	8.84%	42.79%	53.97%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

## UPDATE....

**This update has been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.**

This was our first introduction to the fund and over the last ten years it has outperformed the index. One area we would like to investigate further is the performance. The fund holds between 80 to 100 holdings, and during the recent downturn they sold several stocks where they had lower conviction.

The first concern is whether there is a group of stocks in the portfolio for no real reason. The second concern is that the top four are names which tend to be in many Asia Funds, and they are companies that have performed very well. These four companies make up nearly 30% of the fund and therefore if you took these out how would the performance look?

In terms of a general overview, the team have continued to talk to companies, although not meeting face to face means they do not get the same levels of information, especially getting to see on the ground activity. They believe emerging markets have passed the bottom and recovery is happening, but care needs to be taken over which country will do better.

As they have rotated out some less conviction plays, they have added more money to financials; they have focused on fin tech. The fund has around two thirds in China, Taiwan, and Korea and these are areas all recovering strongly. Exposure to Brazil and South Africa has not been good for them and they believe these areas will take longer to recover.

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They tend to focus on quality companies with strong earnings and this crisis has been about the strong getting stronger, which is where they are positioning the portfolio.

In summary, this was a whistle stop overview and although the performance has been good, nothing really stood out. Our concern is that investing 30% in the top 4 highest returning companies might distort the true picture and further research would need to be done around this.

*The source of information in this note has been provided by T Rowe and is correct as at July 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*