

Betashares Martin Currie Emerging Markets Fund (managed fund)



 **ASX: EMMG**

31 December 2024

Objective

EMMG invests in an actively managed, high-conviction portfolio of emerging market shares and aims to outperform the MSCI Emerging Markets Index, expressed in Australian dollars (Benchmark), over rolling five-year periods. EMMG is managed by Martin Currie, a leading equities manager and member of the Franklin Templeton Group.

Benefits



Exposure to world's fastest-growing markets

Emerging markets have been leading the world in growth due to improving demographics, a rising middle class, urbanisation, disruptive technologies and social reform.



Global technology exposure

Emerging markets are at the forefront of the global tech revolution and include world-leading companies such as Samsung, Tencent and Alibaba.



Active stock selection

Investors benefit from a high-conviction portfolio construction approach by experienced, award-winning investment manager Martin Currie.

*Other costs apply. Please refer to the PDS.

Performance

PERIOD	1 mth	3 mth	6 mth	1 yr	3 yr (p.a.)	5 yr (p.a.)	10 yr (p.a.)	Inception (p.a.)
FUND	4.39%	2.49%	8.95%	15.70%	-1.19%	2.11%	-	5.14%
MSCI Emerging Markets (AUD)	5.07%	3.08%	7.88%	18.48%	3.47%	4.31%	6.57%	6.19%

Calendar year performance

PERIOD	2024	2023	2022	2021	2020	2019	2018	2017
FUND	15.70%	5.48%	-20.96%	1.35%	13.52%	-	-	-
MSCI Emerging Markets (AUD)	18.48%	9.15%	-14.33%	3.44%	7.77%	18.61%	-5.10%	27.09%

Value of \$100 invested since inception



Source: Betashares, Bloomberg. Past performance is not indicative of future performance.

Fund returns are calculated in A\$ using net asset value per unit at the start and end of the specified period and do not reflect the brokerage or bid-ask spread that investors may incur when buying and selling units on the ASX. Returns are after fund management costs, assume reinvestment of any distributions and do not take into account income tax.

Fund information

Betashares Funds can be bought or sold during the trading day on the ASX, and trade like shares.

ASX CODE EMMG

BLOOMBERG CODE EMMG AU

IRESS CODE EMMG.AXW

IRESS INAV CODE EMMGINAV.ETF

DISTRIBUTIONS ANNUALLY

MGT FEE* 1.00% P.A.

FUND INCEPTION 29 MAY 19



MARTIN CURRIE

Martin Currie is an active equity specialist manager headquartered in Edinburgh, Scotland. Founded in 1881, with a significant presence in Australia through Martin Currie Australia, dating back to 1954. Martin Currie believes a stockfocused approach, driven by in-depth fundamental research and skilled portfolio construction, is the best way to exploit market inefficiencies and generate consistent outperformance. They achieve this through a highly disciplined research process that scrutinises and identifies those companies that meet their rigorous selection criteria. Martin Currie's investment strategies are underpinned by the quality of its in-depth fundamental research and skilled portfolio construction, undertaken by its deeply resourced and highly experienced team of investment professionals. Martin Currie's approach to active ownership is at the heart of its active management proposition, and its highly differentiated approach to the analysis of Environmental, Social and Governance (ESG) factors, is embedded in every part of the investment process to ensure they make better long-term decisions.

Categorisation

EMERGING MARKETS

ACTIVELY MANAGED

CAPITAL APPRECIATION

There are risks associated with an investment in EMMG, including market risk, emerging markets risk, currency risk and market making risk. For more information on risks and other features of EMMG, please see the Product Disclosure Statement.

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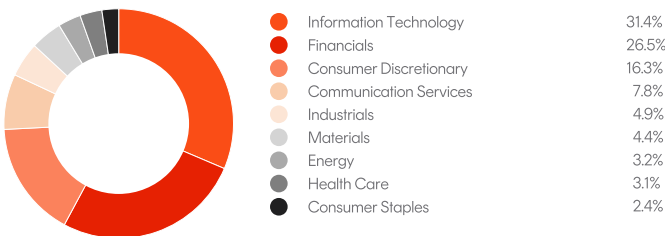
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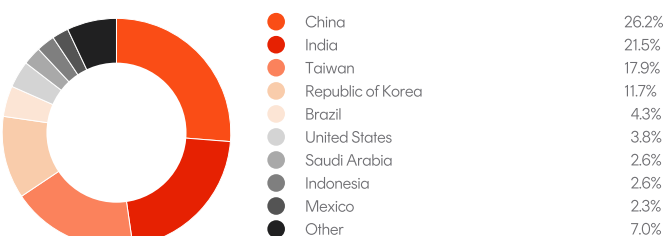


31 December 2024

Sector allocation



Country allocation



The target asset allocation is reviewed, and may be adjusted, annually.

Top 10 exposures

COMPANY

Alibaba Group
HDFC Bank
ICICI Bank
Mediatek
Meituan
Reliance
Samsung Electronics
SK Hynix
Taiwan Semiconductor
Tencent Holdings

Distribution

12 mth distribution yield (%) 0.5%

Yield is calculated by summing the prior 12-month per unit distributions divided by the closing NAV per unit at the end of the relevant period. Yield will vary and may be lower at time of investment. **Past performance is not indicative of future performance.**

Monthly commentary

What happened in the market?

Emerging markets were nearly flat in December. During the month, the North Asian markets were mixed with strong performance out of Taiwan and China. Korea underperformed in the period due to political instability surrounding the impeachment of the incumbent President and general uncertainty on the stock market programme "Value Up." Interest rates globally were impacted by a hawkish US Federal Reserve which revised down its interest rate cuts for 2025 amidst higher expectations of inflation. Emerging markets with more sensitivity to interest rates and currency were weak as well. These include countries such as Brazil and South Africa.

What happened in the Fund?

The Fund was down 4.39% for the month of December. Within the Fund, single stocks that performed well in this backdrop were names such as China Merchants Bank, TSMC, and Tencent. Chinese stocks performed well in this period following positive messaging out of the Politburo meeting and the Central Economic Work Conference. With nearly 60% of its revenue linked to retail banking, China Merchants Bank continued to benefit from improvement in consumer sentiment. Other financial flows such as Mutual Fund Sales and Wealth Management Product Sales have started to show some signs of green shoots. The bank has started to see some momentum in retail lending and is expecting a better non-performing loan experience in 2025. Semiconductor giant TSMC has continued to deliver strong revenue traction at the higher end of expectations. Furthermore, given the strong utilisation levels for its key next-gen products, the gross margin expansion story continues. TSMC may benefit from increasing contribution from Intel's outsourcing resulting from the CEO change at Intel. Tencent continues to show strong growth in its core businesses of gaming and advertising revenue along with potential growth engines in its short-form video business which is entering new segments such as specialised e-commerce. Expectations for Tencent for 2025 revenue are still very low and any potential incremental growth from macro-led recovery would result in upside to expectations.

On the other side, detractors in the period were names such as Samsung Electronics, Shinhan Financial Group, and Mercadolibre. Samsung Electronics was impacted by weaker sentiment for the broad memory market. Memory pricing and 2025 outlook has been muted due to higher supply from Chinese memory players and higher inventory levels at the channel for smartphone/PCs. Notably, in mid-November Samsung announced a 10trn KRW share buyback programme. This is the first buyback for the company since the buybacks that were announced in the 2015-2017 period. Banks such as Shinhan Financial Group have high foreign ownership and were impacted by the potential risk to the Value Up programme that was part of the outgoing President's agenda. However, we continue to see general equity market support from both parties in Korea and that banks are sustainable capital returners. Mercadolibre has been impacted by sentiment from its Brazilian operations where there has been some impact from a slowing economy on consumer credit operations which are part of its business operations. We expect some stabilisation for the overall credit portfolio of Mercadolibre and continued traction in its Latin American ecommerce growth.

Betashares Capital Ltd (ABN 78 139 566 868 AFSL 341181) (Betashares) is the issuer and responsible entity of the Fund. Betashares has appointed Franklin Templeton Australia Limited (ABN 76 004 835 849 AFSL 240827) (Franklin Templeton Australia) as investment manager for the Fund. Franklin Templeton Australia is part of Franklin Resources, Inc. Martin Currie Australia provides investment management services for the Fund. Before making an investment decision you should read the Product Disclosure Statement (PDS) and Target Market Determination (TMD) carefully and consider, with or without the assistance of a financial advisor, whether such an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. The PDS and TMD are available and can be obtained by contacting Betashares on 1300 487 577 or Franklin Templeton Australia on 1800 673 776 or at www.betashares.com.au or www.franklintempleton.com.au. Neither Betashares, Franklin Templeton Australia, nor any of their related parties guarantees any performance or the return of capital invested. Past performance is not necessarily indicative of future performance. Investments are subject to risks, including, but not limited to, possible delays in payments and loss of income or capital invested.