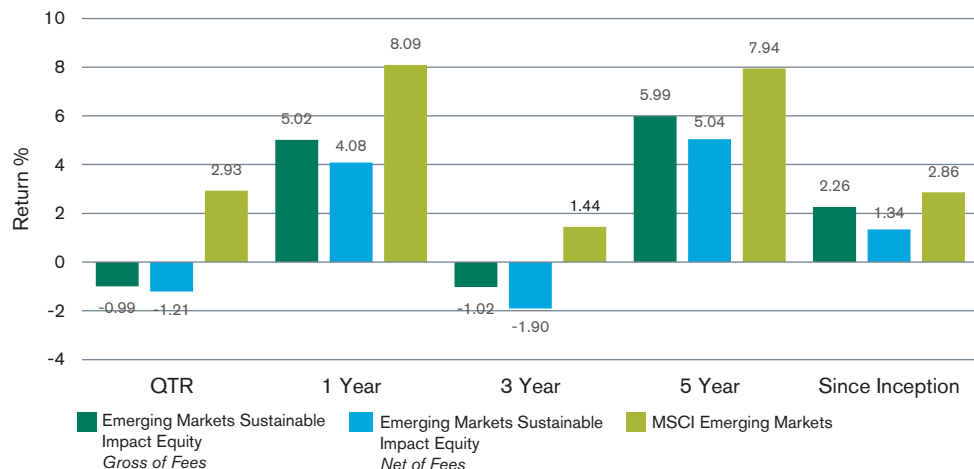


# Emerging Markets Sustainable Impact Equity

## Quarterly Review

### Composite Performance

Periods Ending March 31, 2025



Source: FactSet

Returns calculated in U.S. dollars. The value of investments can fluctuate. Data assumes reinvestment of dividends and capital gains. Data reflects past performance. Past performance does not guarantee future results.

Periods greater than one year have been annualized.

### At a Glance

**Inception:** May 1, 2019**Benchmark:** MSCI Emerging Markets**AUM:** \$79.15 million

### Portfolio Management Team

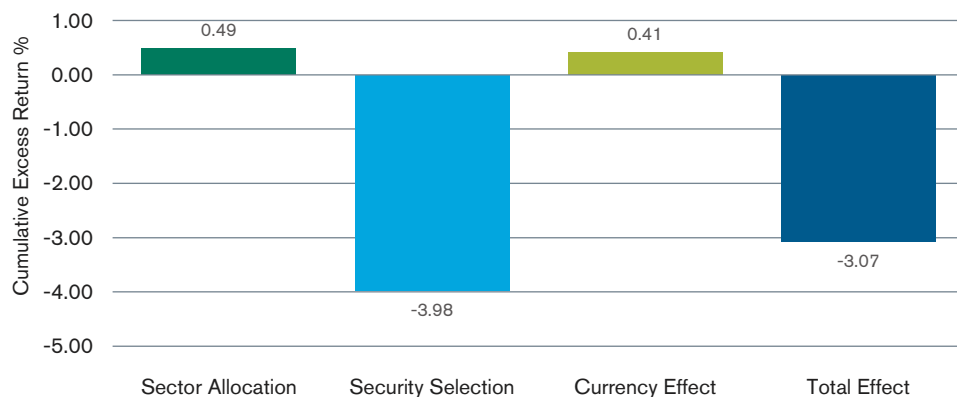
Name	Start Date	
	Industry	Firm
Patricia Ribeiro	1984	2006
Sherwin Soo, CFA	1995	2011

### Quarterly Top Relative Contributors and Detractors

Contributor	(%)	Detractor	(%)
Xiaomi Corp	0.60	Alibaba Group Holding Ltd	-0.65
BYD Co Ltd	0.55	Zomato Ltd	-0.40
Genera SAB de CV	0.27	HD Hyundai Electric Co Ltd	-0.36
Taiwan Semiconductor Manufacturing Co Ltd	0.23	Wiwynn Corp	-0.34
Hon Hai Precision Industry Co Ltd	0.22	Kinik Co	-0.32

### Attribution Analysis

One Year Ending March 31, 2025



Source: FactSet

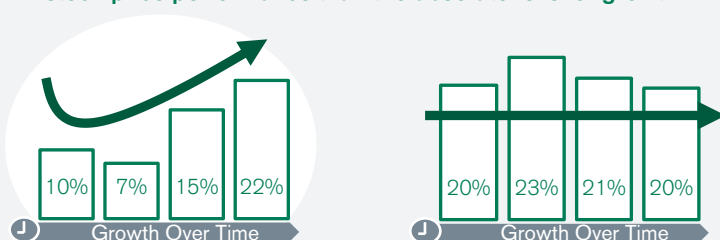
## Investment Philosophy

We believe an investment strategy can provide the potential for attractive risk-adjusted returns by investing in accelerating growth companies while also seeking to make a positive impact by contributing to the United Nations SDGs. We invest with a well-defined, bottom-up growth philosophy:

We believe that accelerating growth in revenues and earnings results in significant potential for stock price appreciation.

- We focus on inflection points in companies' fundamentals because we believe markets are inefficient at identifying such points.
- Our process is designed to uncover stocks that outperform as earnings growth accelerates, market expectations rise and multiples expand.

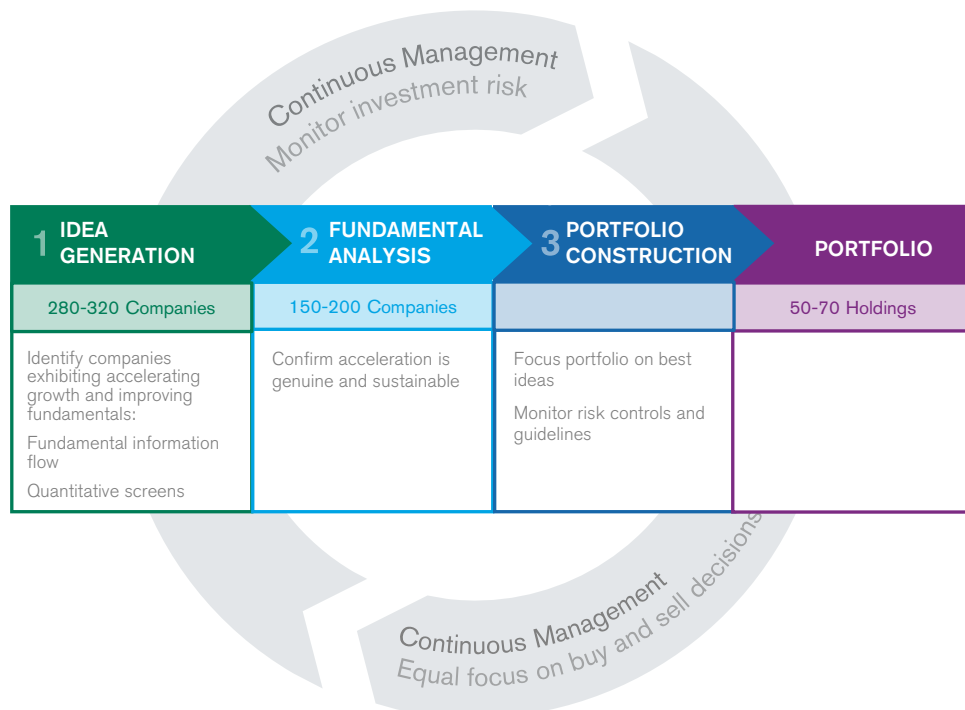
**We believe the direction of earnings growth is a more powerful predictor of stock price performance than the absolute level of growth.**



## Investment Process

### INVESTMENT UNIVERSE

Market capitalization >\$500M  
Daily trading liquidity >\$4M  
Approx. 1,200 companies



## Goal

Seeks to provide a total return that exceeds the benchmark by 2% to 3%, while achieving positive social and environmental impact by investing in companies that contribute to one or more of the United Nations Sustainable Development Goals (SDGs).



## Risk Guidelines

Maximum position size: 3% active weight

Regional exposure: +/- 10% of benchmark weight

Sector exposure: +/- 10% of benchmark weight

Expected tracking error: 2% to 6% versus benchmark



Risk management does not imply low risk. The total return target is aspirational in nature and is not based on any criteria or assumptions. The target is not meant to reflect any projection or promise of performance. No guarantee or representation is being made that any account will or is likely to achieve the objectives or targets shown.

## Portfolio Characteristics

Characteristics	Portfolio	Benchmark
Weighted Average Market Capitalization	\$128.6 B	\$113.6 B
Median Market Capitalization	\$14.8 B	\$2.6 B
P/E Ratio, Forecasted 1-Year	13.2 x	12.5 x
EPS Growth, Historical 1-Year	32.6%	27.5%
EPS Growth, Forecasted 1-Year	17.5%	17.9%
ROE, Historical 1-Year	20.2%	17.8%
% in Cash and Cash Equivalents	2.4%	0.0%
Turnover, 1-Year	46%	3%
Number of Holdings	64	1206

Source: FactSet

Forecasts are not a reliable indicator of future performance.

## Top 10 Holdings

Holding	Country	Industry	Assets (%)
Taiwan Semiconductor Manufacturing Co Ltd	Taiwan	Semiconductors & Semiconductor Equipment	7.79
Tencent Holdings Ltd	China	Interactive Media & Services	5.96
Xiaomi Corp	China	Technology Hardware Storage & Peripherals	3.55
Alibaba Group Holding Ltd	China	Broadline Retail	3.48
ICICI Bank Ltd	India	Banks	3.05
Samsung Electronics Co Ltd	South Korea	Technology Hardware Storage & Peripherals	2.93
China Construction Bank Corp	China	Banks	2.88
Al Rajhi Bank	Saudi Arabia	Banks	2.72
BYD Co Ltd	China	Automobiles	2.62
Capitec Bank Holdings Ltd	South Africa	Banks	2.26
<b>Total</b>			<b>37.24%</b>

Source: FactSet

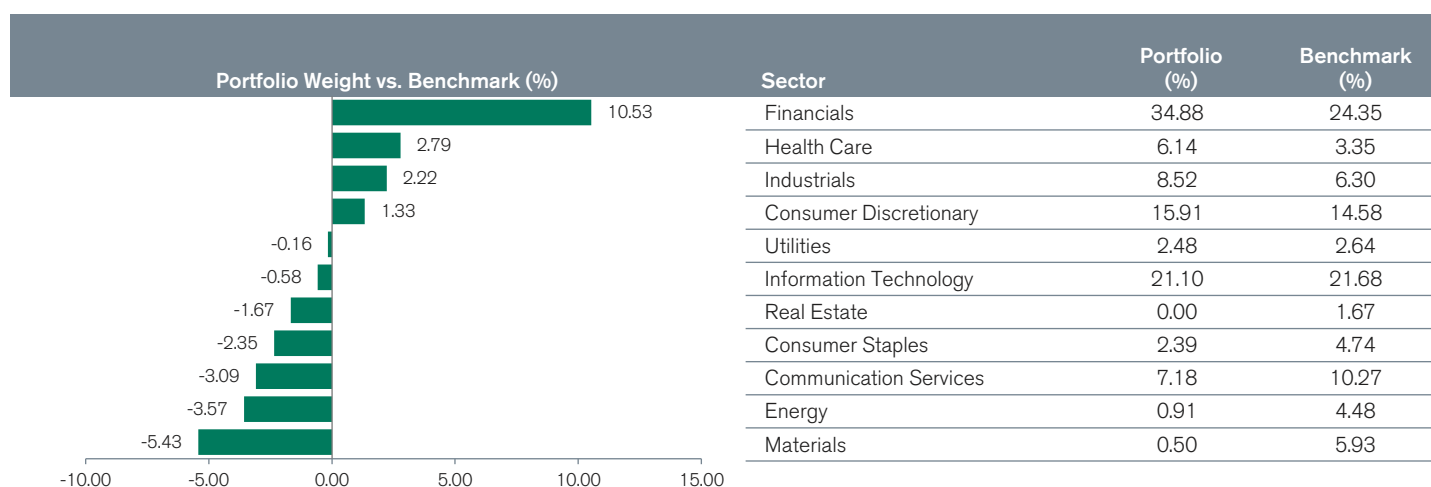
## Top 10 Overweights

Holding	Portfolio Weight (%)	Benchmark Weight (%)	Overweight (%)
Xiaomi Corp	3.55	1.33	2.22
BDO Unibank Inc	2.20	0.08	2.12
Capitec Bank Holdings Ltd	2.26	0.19	2.07
Al Rajhi Bank	2.72	0.68	2.04
ICICI Bank Ltd	3.05	1.06	1.99
MercadoLibre Inc	1.94	0.00	1.94
China Construction Bank Corp	2.88	1.09	1.79
BYD Co Ltd	2.62	0.86	1.76
Sun Pharmaceutical Industries Ltd	1.91	0.25	1.66
Apollo Hospitals Enterprise Ltd	1.76	0.10	1.66

Source: FactSet

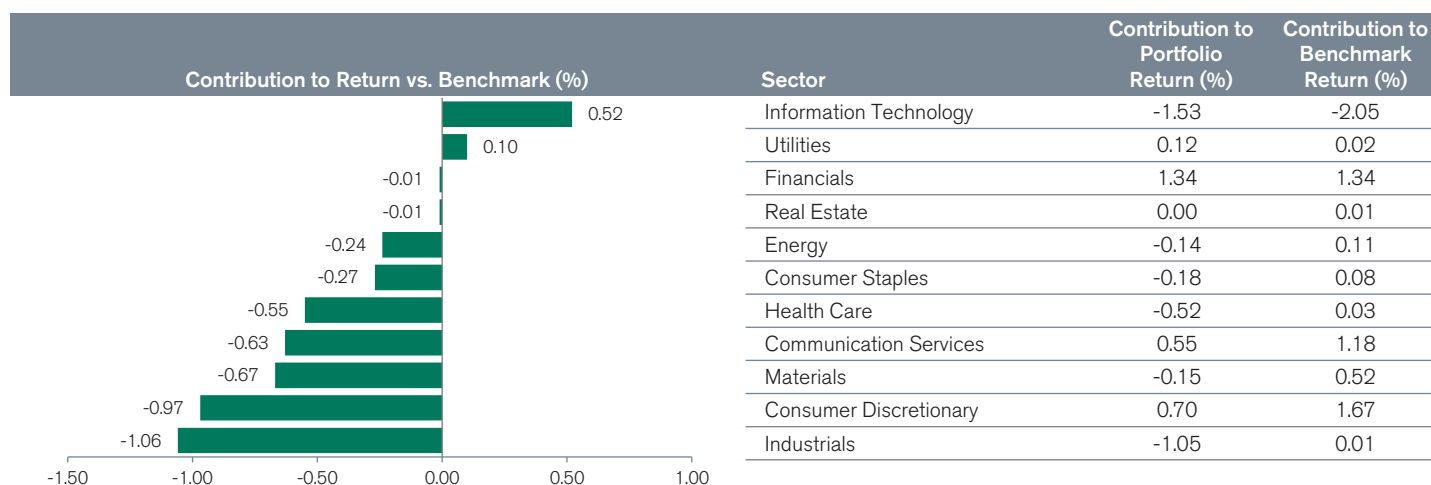
The holdings listed should not be considered recommendations to purchase or sell a particular security. Equity holdings are grouped to include common shares, depository receipts, rights and warrants issued by the same company. Portfolio holdings subject to change without notice.

## Sector Allocation



Source: FactSet

## Quarterly Sector Performance

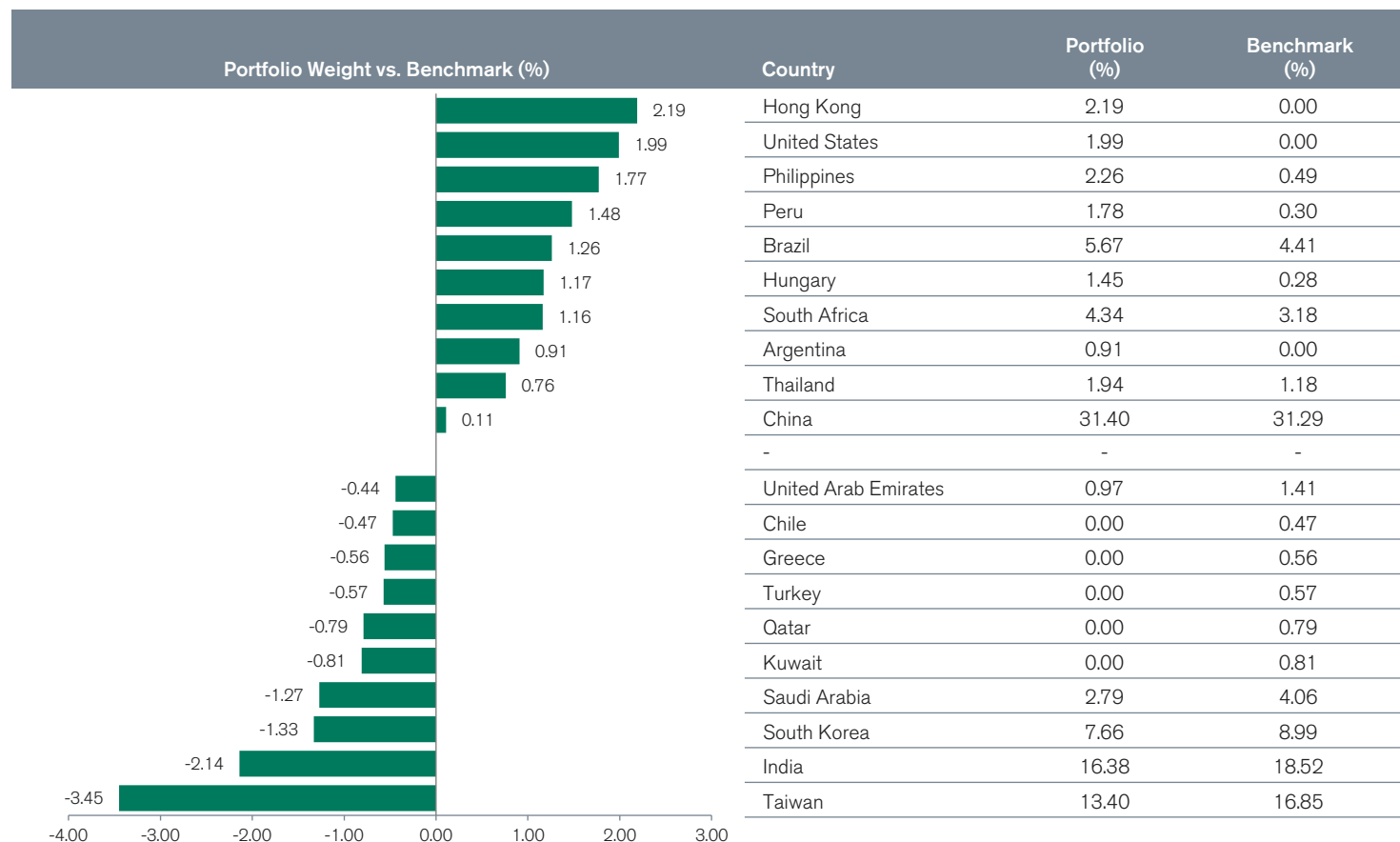


Source: FactSet

When shown, "Diversified" includes portfolio holdings that cannot be attributed to a specific GICS sector.

Past performance is no guarantee of future results.

## Country Allocation: Top 10 Over/Underweights



Source: FactSet

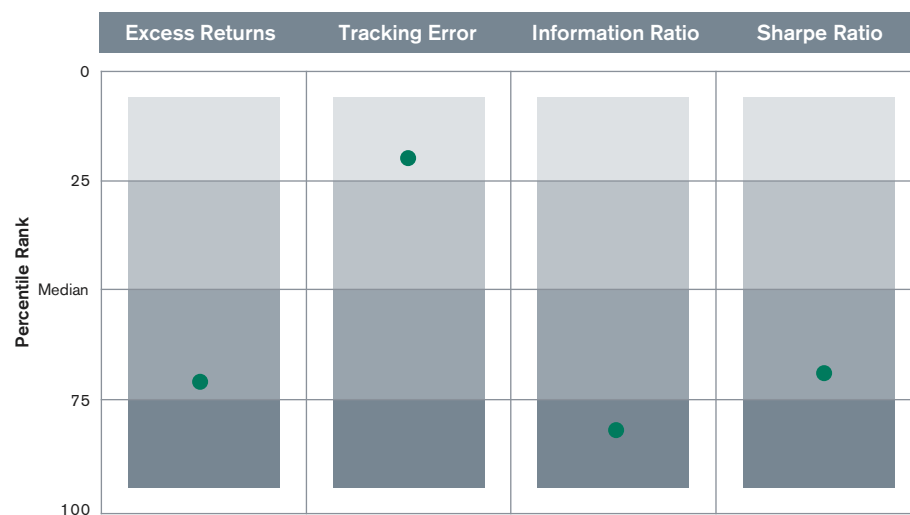
## Quarterly Top Relative Contributors and Detractors by Country

Contributor	(%)	Detractor	(%)
Mexico	0.22	China	-0.97
United States	0.20	Brazil	-0.84
Indonesia	0.14	India	-0.55
Philippines	0.13	South Africa	-0.52
Turkey	0.08	South Korea	-0.42

Source: FactSet

## Risk-Adjusted Performance

Three-Year Risk-Adjusted Performance vs. eVestment Global Emerging Mkts All Cap Growth Equity vs. MSCI Emerging Markets, FTSE 3-Month T-Bill



● American Century Investments Emerging Markets Sustainable Impact Equity

	Excess Returns	Tracking Error	Information Ratio	Sharpe Ratio
<b>Manager</b>	-2.46	4.37	-0.56	-0.31
<b>Percentile Rank</b>	71	20	82	69
<b>Median</b>	-0.73	5.97	-0.18	-0.22

Source: eVestment Analytics

Excess returns are gross of fees.

Rankings for Tracking Error are inverted.

Number of products in the universe was 56.

## Quarterly Commentary

### Portfolio Review

**Emerging markets (EM) stocks advanced in the first quarter, outperformed developed markets.** In the U.S., economic growth projections declined significantly, and inflation expectations increased with the threat of U.S. tariffs. European stocks rallied as growth prospects improved, helped by expected military and infrastructure spending increases in Germany.

**EM stocks proved resilient.** EM equities managed to stay afloat through a choppy quarter. The potential economic impact and ambiguity over the outcome of trade battles weighed heavily on sentiment. That said, it was confidence in the U.S. economy that took the brunt. Doubts over U.S. exceptionalism were heightened amid an array of soft survey data, as consumer sentiment tumbled.

**Stock selection in industrials drove underperformance.** HD Hyundai Electric Co. was one of the quarter's largest detractors, along with Kinik, which provides tools to semiconductor producers. Analysts reduced earnings expectations for Kinik, citing a weaker near-term outlook and continued gross margin headwinds. We trimmed both positions during the period. Power transmission equipment firm Henan Pinggao Electric also weighed on relative results.

**Consumer discretionary was an area of relative weakness.** Two of the quarter's largest overall detractors were sector holdings, Alibaba Group Holding and Zomato. Our overweight to China-based travel services firm Trip.com Group also detracted. Shares declined in February due to concerns about a weakening margin outlook, but rebounded in March amid rising domestic revenues and accelerating outbound overseas travel.

**Information technology holdings boosted relative performance.** Led by top overall contributor Xiaomi, sector stock selection added value. Not owning electronics manufacturer Hon Hai Precision Industry, also known as Foxconn Technology Group, also added value, as did our underweight to Taiwan Semiconductor Manufacturing Co. TSMC's shares declined amid concerns about U.S.-China tensions and a chip firms' capital spending outlook.

### Key Contributors

**Xiaomi.** Shares advanced as the consumer electronics/electric vehicle (EV) maker's smartphone and Internet of Things sales outpaced the industry in early 2025. In our view, the EV and home appliance markets are undergoing an evolution, and Xiaomi will likely benefit from its premiumization strategy and edge in consumer insights.

**BYD.** The Chinese electric vehicle maker has stepped up efforts to further upgrade its platform and technology, aiming to raise the competitive barrier against peers and gain further market share. In our view, BYD has ambitious plans for the global market and is well prepared in both export capacity and overseas localization.

**Gentera.** Shares rose amid strong loan growth with no signs of deteriorating credit quality. In our view, earnings momentum will likely remain strong in 2025, based on a still-benign competitive environment in Mexico and a recovery in Peru. We believe lower interest rates in Mexico will likely prove supportive.

### Key Detractors

**Alibaba Group Holding.** An underweight to Alibaba detracted. Shares rallied after DeepSeek released a cheaply developed, open-source artificial intelligence model, raising hopes for a surge in AI-driven cloud demand. We entered 2025 conservative on e-commerce names amid intense competition and tepid consumption in China.

**Zomato.** Shares underperformed during the quarter amid increasing competition and rising losses in the quick-commerce space, along with slower growth and decelerating margin improvement in the food delivery business.

**HD Hyundai Electric Co.** The firm missed quarterly revenue and operating profit expectations, due to delayed sales recognition at its North American subsidiary. We believe this reflects a timing issue as opposed to problems with demand or supply and that the delayed sales will likely be recognized in the first half of 2025.

### Notable Trades

**MediaTek.** As smartphone and consumer electronics inventory levels normalize, we believe MediaTek will likely benefit from restocking demand, 5G growth and the artificial intelligence upgrade cycle. AI opportunities may offer longer-term upside; we view MediaTek as well positioned to transition to an AI play.

**OTP Bank.** We believe the Hungary-based bank's asset quality remains resilient, and that domestic margins will likely benefit from interest rate cuts, which would likely spur net interest income growth. OTP's loan growth is likely to pick up, in our view, supported by lower inflation, lower rates and stronger economic growth.

**Leejam Sports.** We exited the Saudi Arabia-based fitness center operator, whose share price has been impacted by weak fourth-quarter results. Margin pressures, in part due to heavy promotions and aggressive expansion, have weighed on the company's earnings.

**Wiwynn.** We exited the cloud infrastructure provider, which has increased capital expenditures in a response to new U.S. tariffs and the threat of new tariffs. Analysts lowered earnings forecasts considering the potential erosion from increased costs and expenses.

### Positioning for the Future

The portfolio continues to invest in companies where we believe fundamentals are strong and improving, alongside an SDG impact, but share price performance does not fully reflect these factors. Our process is based on individual security selection, but broad themes have emerged.

**Impact of tariffs remains uncertain.** Early in the second quarter, President Donald Trump announced a broad array of tariffs. Future dealmaking and retaliation from other countries leave outcomes uncertain, and the impact will be differentiated across emerging markets (EM). In our view, the largest incremental impact will likely be in EM Asia, given the region's large trade surplus with the U.S.

**Tariffs may pose a challenge to China and other export-oriented economies.** We see opportunity in domestic-oriented equities, as well as those with sensitivity to policy stimulus. We have several positions in the areas of consumer technology and consumer services. Additionally, China is increasingly leading in high-technology areas such as electric vehicles and batteries.

**U.S. tariff announcements were better than expected for Latin America.** Early April's reciprocal tariffs largely spared countries in the region, with the 10% announced rate on most countries coming in lower than the percentages applied to Asian and European markets. Latin American companies could be relative beneficiaries, potentially gaining market share in the U.S.

### SDG Highlight

**BYD (U.N. Sustainable Development Goal 7).** BYD has grown to become China's leading new energy vehicle manufacturer and electric vehicle battery supplier, with rapid market share growth in recent years helping to ensure access to clean and affordable energy. Its overseas expansion, which aims to compete on quality rather than just price, is ambitious, with multiple localized production facilities. The company is also involved in other industries, including electronics and rail transit.

BYD has raised the competitive barrier for other electric vehicle (EV) manufacturers by launching the Honor edition of EVs (2024), an update to the God's Eye smart driving system (early 2025) and its ultrafast charging ecosystem (early 2025). Progressively, BYD has taken several initiatives in the Chinese automobile market, benefiting from a competitive edge over peers, owing in part to its vertically integrated business model.



## Available Vehicles

<b>Separate Account</b>	Available in U.S. and certain non-U.S. countries
<b>UCITS</b>	Available only in certain non-U.S. countries

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