THE DEVELOPING MARKETS FUND provides investors with an opportunity to invest in securities of issuers that are located in or doing significant business within emerging market countries. The Fund’s holdings of issuers in the emerging markets will mainly take the form of ADRs and GDRs.

INVESTMENT PHILOSOPHY
The Fund is actively managed to produce long-term growth of capital through investment in a broad range of emerging market companies. The Fund uses a bottom-up approach that emphasizes stock selection through investment in cheaply valued equities and is aimed at capitalizing on valuation anomalies that can occur as a result of the inefficiencies of emerging markets.

INVESTMENT PROCESS
The investment process focuses on finding undervalued equities across all sectors or industries, and does not start with investment decisions regarding sector or industry weightings.

Consideration is given to industry and sector commitments as part of the portfolio’s risk control mechanism. Rather than set specific target levels, the portfolio construction team reviews the sector exposures within strict minimum and maximum guidelines at the time of exposure.

Although the fund concentrates primarily on stock selection, a significant amount of energy is devoted to evaluating political and economic risks as a part of the final step incorporating risk control within the portfolio.

Currency risk is reduced by broad diversification across many countries as well as assessments of potential currency devaluation.

TOP FIVE HOLDINGS
Infosys Ltd Technology 5.3%
Samsung Electronics Co Technology 4.9%
China Construction Bank Finance 4.8%
Taiwan Semiconductor Technology 4.1%
Lukoil PJSC Energy 3.7%