

Redwheel Next Generation EM Equity Fund

Monthly Commentary – August 2024

Global equity markets recovered from a sharp sell-off caused by profit-taking in Japan and the technology sector in the first week of August 2024, ending the month in the green. The MSCI Frontier Emerging Markets Index rose +3.4% in the month, compared to the Redwheel Next Generation Emerging Markets Equity Fund's return of +2.0%.

One of the best performing markets in the NGEN universe was the Philippines, which gained +10.4% as the country was buoyed by the start of monetary policy easing, the successful issuance of US\$2.5bn of dollar sovereign bonds and the opening of the digital banking sector to new entrants. Thailand was up +9.2% as it avoided a political crisis following the legal disqualification of former PM Srettha Thavasin, with an even larger coalition supporting the new PM Paetongtarn Shinawatra. Regardless of who may be PM, the legal cases against Srettha and Paetongtarn's father, Thaksin Shinawatra, demonstrate the ongoing influence of the military in the Thai political system. The largest market in the MSCI Frontier Index, Vietnam, rose +3.9% in the month as the World Bank raised its GDP growth forecast to +6.1% from its previous estimate of +5.5%, underlining the country's position as one of the fastest-growing economies in Asia. Many off-index countries also performed well during August. Argentina rebounded +12.9% as monthly inflation in July slowed to 4.0%, its lowest level since 2022. This reinforced the popularity of President Milei, whose economic adjustment is seen to be making positive progress. Indonesia rallied +9.9% after its parliament reversed proposals to change eligibility rules that would have favoured incumbent legislators as candidates in the November 2024 regional elections, thereby defusing large-scale protests.

Several stocks made strong contributions to the fund's performance in August. Indonesian banks Mandiri, Rakyat and Syariah rose +17.1%, +15.9% and +7.2%, respectively on the back of an improving domestic outlook. The banking sector's deposit growth has started to pick up albeit more slowly than loan growth. In Thailand, the energy company, Bangchak Corp, and the bank, TTB, rose +24.5% and +15.3%, respectively on the back of better investor sentiment. Argentine oil company YPF advanced +18.7% thanks to increased hydrocarbon production, the divestment of non-core fields and the tender for some of its outstanding debt.

The Turkish equity market struggled in August, falling -10.0% following the maintenance of a hawkish bias in the central bank policy rate amid slowing economic growth. This restrictive stance is necessary for long-term policy credibility to be re-established after years of unorthodox rate-setting, but a short-term disappointment for pro-growth investors while the control of inflation is prioritized. Inflation peaked at 76% YoY in May, dropping to 72% in June and 62% in July, with core inflation also dropping from 75% to 60% over that period. Food retailer Bim fell -16.1% while the Turkish conglomerate Sabanci was down -13.9%. Additionally, Latin American healthcare company Auna dropped -25.2% when it missed profit estimates due to weak trends in Mexico.

CONTACT US

Please contact us if you have any questions or would like to discuss any of our strategies.

[E invest@redwheel.com](mailto:invest@redwheel.com) | [W www.redwheel.com](http://www.redwheel.com)

Source: Redwheel, MSCI, Company Reports, FactSet as at 30 August 2024

This is a marketing communication. Please refer to the Fund's Prospectus and KID/KIID before making any investment decisions.

Key Information

This document does not constitute investment advice and the information shown is for illustrative purposes only. No investment strategy can guarantee returns or eliminate risks in any environment. Past performance is not a guide to future results. The prices of investments and income from them may fall as well as rise and an investor's investment is subject to potential loss, in whole or in part. Forecasts and estimates are based upon subjective assumptions about circumstances and events that may not yet have taken place and may never do so.

Disclaimer

Redwheel ® is a registered trademark of RWC Partners Limited ("RWC"). The term "Redwheel" may include any one or more Redwheel branded regulated entities including, RWC Asset Management LLP which is authorised and regulated by the UK Financial Conduct Authority and the US Securities and Exchange Commission ("SEC"); RWC Asset Advisors (US) LLC, which is registered with the SEC; RWC Singapore (Pte) Limited, which is licensed as a Licensed Fund Management Company by the Monetary Authority of Singapore; Redwheel Australia Pty Ltd is an Australian Financial Services Licensee with the Australian Securities and Investment Commission; and Redwheel Europe Fondsmæglerselskab A/S ("Redwheel Europe") which is regulated by the Danish Financial Supervisory Authority.

Redwheel may act as investment manager or adviser, or otherwise provide services, to more than one product pursuing a similar investment strategy or focus to the product detailed in this document. Redwheel and RWC (together "Redwheel Group") seeks to minimise any conflicts of interest, and endeavours to act at all times in accordance with its legal and regulatory obligations as well as its own policies and codes of conduct.

This document is directed only at professional, institutional, wholesale or qualified investors. The services provided by Redwheel are available only to such persons. It is not intended for distribution to and should not be relied on by any person who would qualify as a retail or individual investor in any jurisdiction or for distribution to, or use by, any person or entity in any jurisdiction where such distribution or use would be contrary to local law or regulation.

This document has been prepared for general information purposes only and has not been delivered for registration in any jurisdiction nor has its content been reviewed or approved by any regulatory authority in any jurisdiction.

The information contained herein does not constitute: (i) a binding legal agreement; (ii) legal, regulatory, tax, accounting or other advice; (iii) an offer, recommendation or solicitation to buy or sell shares in any fund, security, commodity, financial instrument or derivative linked to, or otherwise included in a portfolio managed or advised by Redwheel; or (iv) an offer to enter into any other transaction whatsoever (each a "Transaction"). Redwheel Group bears no responsibility for your investment research and/or investment decisions and you should consult your own lawyer, accountant, tax adviser or other professional adviser before entering into any Transaction. No representations and/or warranties are made that the information contained herein is either up to date and/or accurate and is not intended to be used or relied upon by any counterparty, investor or any other third party.

Redwheel Group uses information from third party vendors, such as statistical and other data, that it believes to be reliable. However, the accuracy of this data, which may be used to calculate results or otherwise compile data that finds its way over time into Redwheel Group research data stored on its systems, is not guaranteed. If such information is not accurate, some of the conclusions reached or statements made may be adversely affected. Any opinion expressed herein, which may be subjective in nature, may not be shared by all directors, officers, employees, or representatives of Redwheel Group and may be subject to change without notice. Redwheel Group is not liable for any decisions made or actions or inactions taken by you or others based on the contents of this document and neither Redwheel Group nor any of its directors, officers, employees, or representatives (including affiliates) accepts any liability whatsoever for any errors and/or omissions or for any direct, indirect, special, incidental, or consequential loss, damages, or expenses of any kind howsoever arising from the use of, or reliance on, any information contained herein.

Information contained in this document should not be viewed as indicative of future results. Past performance of any Transaction is not indicative of future results. The value of investments can go down as well as up. Certain assumptions and forward looking statements may have been made either for modelling purposes, to simplify the presentation and/or calculation of any projections or estimates contained herein and Redwheel Group does not represent that that any such assumptions or statements will reflect actual future events or that all assumptions have been considered or stated. There can be no assurance that estimated returns or projections will be realised or that actual returns or performance results will not materially differ from those estimated herein. Some of the information contained in this document may be aggregated data of Transactions executed by Redwheel that has been compiled so as not to identify the underlying Transactions of any particular customer.

No representations or warranties of any kind are intended or should be inferred with respect to the economic return from,

or the tax consequences of, an investment in a Redwheel-managed fund.

This document expresses no views as to the suitability or appropriateness of the fund or any other investments described herein to the individual circumstances of any recipient.

The information transmitted is intended only for the person or entity to which it has been given and may contain confidential and/or privileged material. In accepting receipt of the information transmitted you agree that you and/or your affiliates, partners, directors, officers and employees, as applicable, will keep all information strictly confidential. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information is prohibited. Any distribution or reproduction of this document is not authorised and is prohibited without the express written consent of Redwheel Group.

The risks of investment are detailed in the Prospectus and should be considered in conjunction with your investment adviser. Please refer to the Prospectus, Key Investor Information Document (UCITS KIID), Key Information Document (PRIIPS KID), Summary of Investor Rights and other legal documents as well as annual and semi-annual reports before making investment decisions; these documents are available free of charge from RWC or on RWC's website: <https://www.redwheel.com/> and available in local languages where required. RWC as the global distributor has the right to terminate the arrangements made for marketing Redwheel Funds in certain jurisdictions and to certain investors. Redwheel Europe is the sub-distributor of shares in Redwheel Funds in the European Economic Area ("EEA") and is regulated by the Danish Financial Supervisory Authority. This document is not a solicitation or an offer to buy or sell any fund or other investment and is issued in the UK by RWC and in the EEA by RW Europe. This document does not constitute investment, legal or tax advice and expresses no views as to the suitability or appropriateness of any investment and is provided for information purposes only. The views expressed in the commentary are those of the investment team.

Funds managed by Redwheel are not, and will not be, registered under the Securities Act of 1933 (the "Securities Act") and are not available for purchase by US persons (as defined in Regulation S under the Securities Act) except to persons who are "qualified purchasers" (as defined in the Investment Company Act of 1940) and "accredited investors" (as defined in Rule 501(a) under the Securities Act).

This document does not constitute an offer to sell, purchase, subscribe for or otherwise invest in units or shares of any fund managed by Redwheel. Any offering is made only pursuant to the relevant offering document and the relevant subscription application. Prospective investors should review the offering memorandum in its entirety, including the risk factors in the offering memorandum, before making a decision to invest.

AIFMD and Distribution in the European Economic Area ("EEA")

The Alternative Fund Managers Directive (Directive 2011/61/EU) ("AIFMD") is a regulatory regime which came into full effect in the EEA on 22 July 2014. RWC Asset Management LLP is an Alternative Investment Fund Manager (an "AIFM") to certain funds managed by it (each an "AIF"). The AIFM is required to make available to investors certain prescribed information prior to their investment in an AIF. The majority of the prescribed information is contained in the latest Offering Document of the AIF. The remainder of the prescribed information is contained in the relevant AIF's annual report and accounts. All of the information is provided in accordance with the AIFMD.

In relation to each member state of the EEA (each a "Member State"), this document may only be distributed and shares in a Redwheel fund ("Shares") may only be offered and placed to the extent that (a) the relevant Redwheel fund is permitted to be marketed to professional investors in accordance with the AIFMD (as implemented into the local law/regulation of the relevant Member State); or (b) this document may otherwise be lawfully distributed and the Shares may lawfully be offered or placed in that Member State (including at the initiative of the investor).

Information Required for Offering in Switzerland of Foreign Collective Investment Schemes to Qualified Investors within the meaning of Article 10 CISA.

This is an advertising document.

The representative and paying agent of the Redwheel-managed funds in Switzerland (the "Representative in Switzerland") FIRST INDEPENDENT FUND SERVICES LTD, Feldeggstrasse 12, CH-8008 Zurich. Swiss Paying Agent: Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich. In respect of the units of the Redwheel-managed funds offered in Switzerland, the place of performance is at the registered office of the Swiss Representative. The place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or place of residence of the investor.

Tigris Investments LLC, incorporated under the laws of Florida, has been engaged by RWC to act as an introducer of certain Redwheel Funds ("Introducer") in Argentina, Brazil, Chile, Colombia, Mexico, Panama, Peru, Uruguay and United States (Non-Resident Channel) (in accordance with applicable laws), and is distributing this document in its capacity as Introducer.