

**Newton**

Global investment manager with assets under management of £76.6 billion, providing investment solutions since 1978.

**Assets under management<sup>1</sup>**

Strategy (£m)	375.84
Representative portfolio (£m)	133.94

**General information<sup>2</sup>**

Number of holdings	45
12 month turnover (%)	61.55
Active share (%)	77.26

**Strategy characteristics (3 yr ex-post)**

Information Ratio	-0.29
Tracking Error (%pa)	5.57
Beta	0.82
Alpha	-1.23

**Volatility (3 yr ex-post)**

Newton Concentrated Global Emerging Markets Strategy (%pa)	11.97
Performance Benchmark (%pa)	13.29

**Dividend yield**

Newton Concentrated Global Emerging Markets Strategy (%)	1.89
Performance Benchmark (%)	2.58

Strategy characteristics calculated on a rolling three year basis.

<sup>1</sup>Source: Newton as at 31/03/2025. Please refer to Important Information page for more detail.

<sup>2</sup>Source: BNY Mellon Global Emerging Markets Opportunities Fund as at 31/03/2025

**Strategy available through pooled UK vehicle via**

BNY Mellon Global Emerging Markets Opportunities Fund

**Contact us**

institutional@newtonim.com | 020 7163 9000

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[Newton Investment Management](#)

**Strategy objective**

The strategy seeks to outperform the MSCI Emerging Markets (NDR) Index by more than 3% per annum over rolling 5-year periods, by achieving long-term capital growth from a portfolio comprised predominantly of emerging-market securities.

**Investment approach**

The strategy is conviction-based, and is constructed with little or no reference to the performance benchmark. The investment team follows a fundamental bottom-up security selection approach which is supported by our in-house research team. In-house research analysts are at the core of our investment process, and our multidimensional research capabilities help to promote better-informed investment decisions.

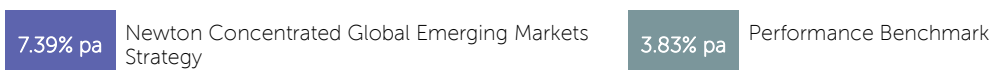
**Investment team**

Our investment team of research analysts and portfolio managers work together across regions and sectors, helping to ensure that our investment process is highly flexible. Our Concentrated Global Emerging Markets strategy is managed by a team of two portfolio managers.

**Portfolio managers** Liliana Castillo Dearth & Alex Khosla

**Performance Benchmark:** MSCI Emerging Markets NDR

**Performance (%) - since inception (gross)**



**Performance (%) - net and gross**

	Quarterly				Annualised			
	Q1 2025	Q4 2024	Q3 2024	Q2 2024	1 year	3 years	5 years	10 years
Newton Concentrated Global Emerging Markets Strategy (Net)	-7.30	-0.38	4.10	0.54	-3.35	-0.27	8.95	6.79
Newton Concentrated Global Emerging Markets Strategy (Gross)	-7.13	-0.20	4.30	0.73	-2.62	0.48	9.77	7.60
Performance Benchmark	-0.13	-1.47	2.46	4.93	5.79	2.12	7.08	5.17

Source: Newton FactSet, Newton Concentrated Global Emerging Markets composite. As at 31/03/2025. Composite inception: 31/05/2011. This is supplemental information to the GIPS compliant information. Performance is stated net and gross of management fees. The net-of-fee returns are calculated by deducting an annual management charge of 0.75% from the composite gross-of-fee returns. The impact of fees can be material. A fee schedule providing further detail is available upon request. The MSCI Emerging Markets NDR index is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark.

**>BNY | INVESTMENTS**

For professional investors only. Please read the important information at the back of this document. Newton claims compliance with the Global Investment Performance Standards (GIPS). Compared to more established economies, the value of investments in Emerging Markets may be subject to greater volatility due to differences in generally accepted accounting principles of from economic, political instability or less developed market practices. A fall in the global emerging markets may have a significant impact on the value of the strategy because it primarily invests in this market.

## Strategy commentary

### Performance commentary

Entering 2025, we had anticipated that tariff and geopolitical tensions would dominate the market environment, and thus adopted a more defensive stance. We had an overweight position in India and an underweight position in China, remaining open to reducing the gap opportunistically based on low expectations and constructive economic policies.

Emerging markets experienced intense volatility in the first quarter. February saw an indiscriminate surge in Chinese technology stocks due to the 'DeepSeek' phenomenon. Relative performance for the strategy suffered despite having a position in Tencent, its largest fundamental exposure to the China artificial intelligence (AI) story. Other internet holdings like NetEase and Kanzhun generated significant alpha early in the quarter, but identifying more quality long-term compounding opportunities in the Chinese internet space remained challenging. February accounted for more than half of the underperformance for the quarter. In March, the market continued to be influenced by DeepSeek.

As the quarter came to an end, trade tariff negotiations intensified, which increased concerns about the likelihood of a US recession. These concerns negatively affected the performance of the technology sector. We further reduced exposure to the technology sector while seeking opportunities in Chinese domestic names.

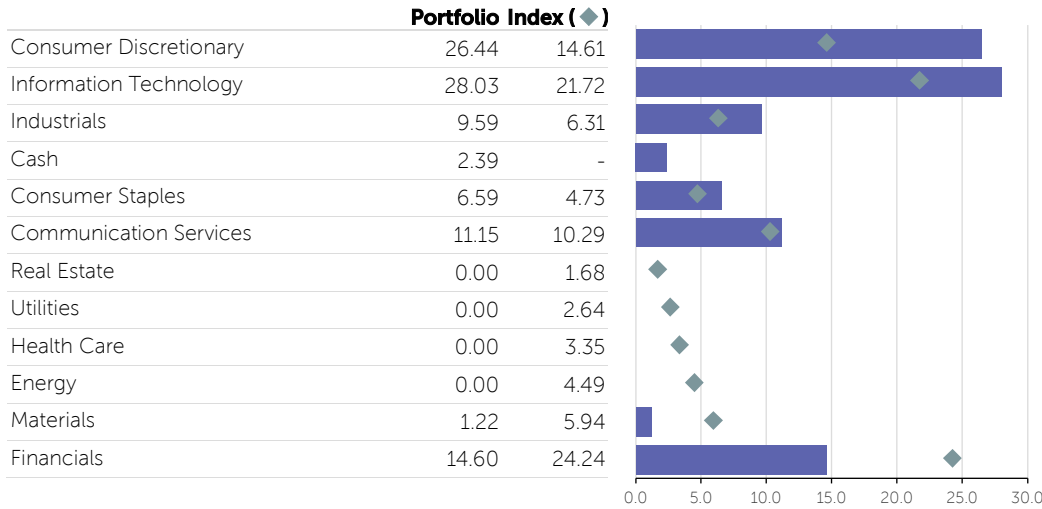
Stock selection within the consumer discretionary and IT sectors drove the relative underperformance. Indian consumer discretionary stocks suffered in particular, including the overweight positions in MakeMyTrip and Tube Investments. Performance was affected by market reaction to China's DeepSeek; the strategy was negatively affected by the rise of Alibaba, which it does not hold. This was partially compensated by the rise of Tencent, which is also a beneficiary of AI adoption.

In terms of individual stocks, Globant was among the biggest detractors. Globant is an international IT and software developer based in Latin America. Although the company released results that were in line with expectations, investors were concerned about the company's significant revenue exposure to the US. The IT services sector as a whole suffered from negative sentiment about the faltering US economy and concerns that it could fall into recession. Positively performing stocks included online marketplace MercadoLibre, on good fourth-quarter results and on optimism about future growth, and Brazilian IT business TOTVS.

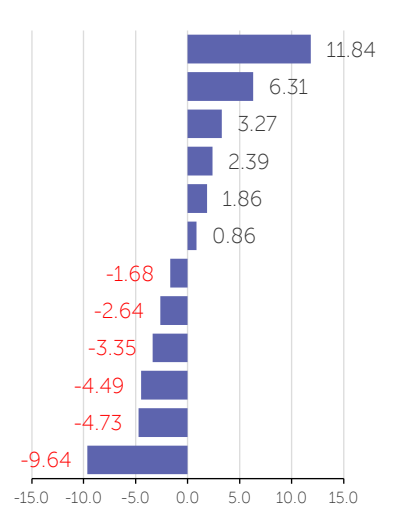
### Investment strategy and outlook

The increasing risk of a US recession has the potential to drive asset diversification. Emerging markets offer unique investment opportunities; often overlooked by investors, emerging-market stocks offer attractive valuations and strong growth potential. The strategy is focused on a select group of well-priced, return-compounding businesses in these markets. Our disciplined investment process results in a portfolio of companies that we believe have superior characteristics to the benchmark in terms of revenue growth, free cash flow and return on invested capital metrics, and are attractively valued relative to their growth potential.

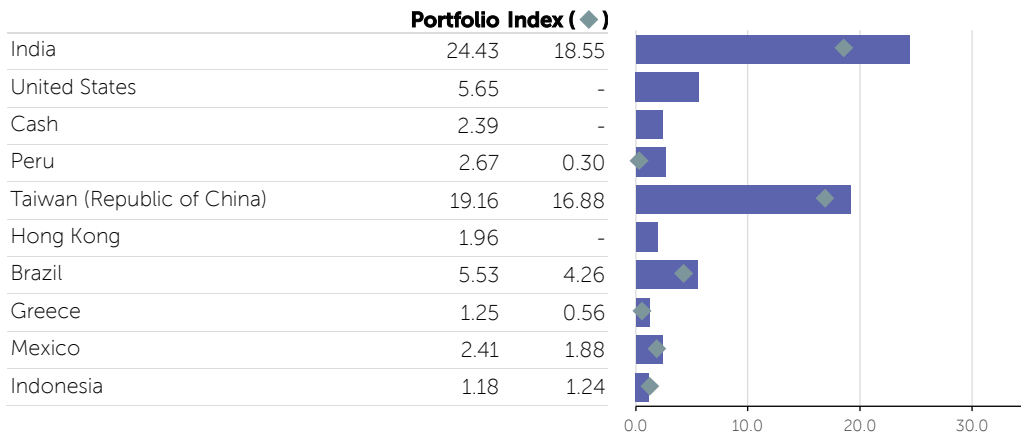
**Sector positioning (absolute %)**



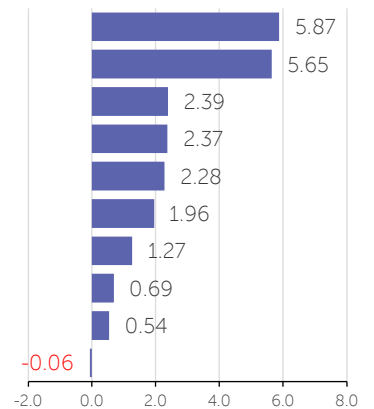
**Sector (relative %)**



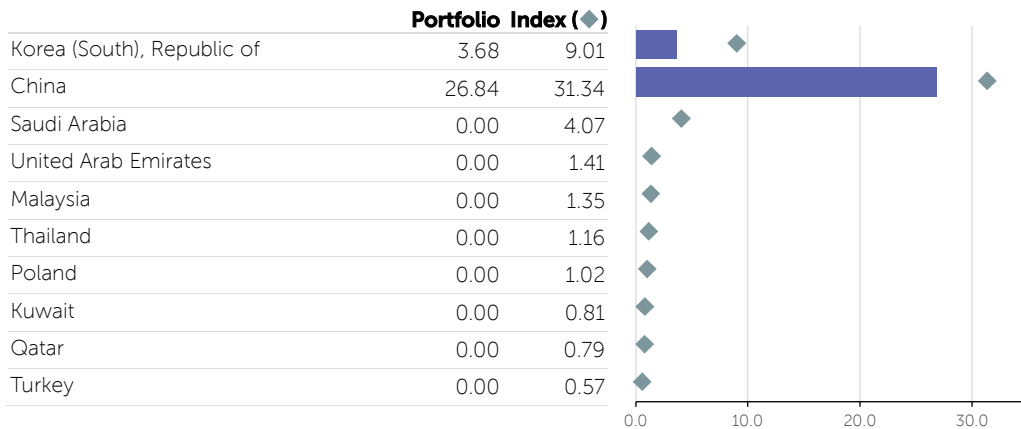
**Country positioning relative top 10**



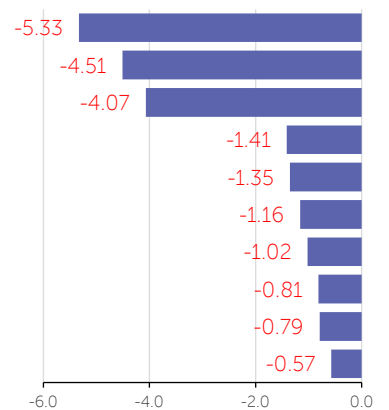
**Country top 10 (relative %)**



**Country positioning relative bottom 10**



**Country bottom 10 (relative %)**

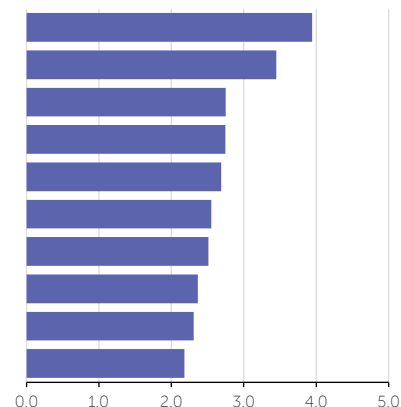


Source: Newton FactSet as at 31/03/2025. Portfolio details relate to a representative portfolio, BNY Mellon Global Emerging Markets Opportunities Fund, which adheres to the same investment approach as the strategy. The strategy does not aim to replicate either the composition or performance of the performance benchmark.

**Security positioning overweight/underweight (%)**

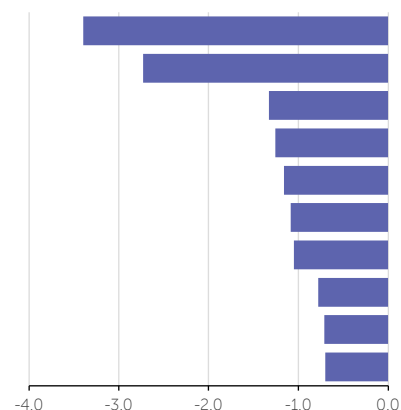
**Top 10 overweight**

	Portfolio	Index	Relative
MercadoLibre Inc	3.95	-	3.95
Midea Group Co Ltd	3.48	0.03	3.45
MakeMyTrip Ltd	2.75	-	2.75
Trip.com Group Ltd	3.25	0.50	2.74
Contemporary Amperex Tech	2.80	0.12	2.69
MediaTek Inc	3.37	0.81	2.55
Credicorp Ltd	2.67	0.16	2.51
Titan Company Ltd	2.53	0.16	2.36
ANTA Sports Products Limited	2.49	0.18	2.31
Delta Electronics Inc	2.45	0.27	2.18



**Top 10 underweight**

	Portfolio	Index	Relative
Alibaba Group Holding Ltd	0.00	3.39	-3.39
Samsung Electronics Co Ltd	0.00	2.73	-2.73
XIAOMI CORP	0.00	1.33	-1.33
Meituan	0.00	1.26	-1.26
Reliance Industries Limited	0.00	1.16	-1.16
China Construction Bank Corp	0.00	1.08	-1.08
Pinduoduo Inc	0.00	1.05	-1.05
Infosys Ltd	0.00	0.78	-0.78
Petroleo Brasileiro SA	0.00	0.71	-0.71
Hon Hai Precision Industry Ltd	0.00	0.70	-0.70



**Security positioning (absolute %)**

**Top 10 holdings**

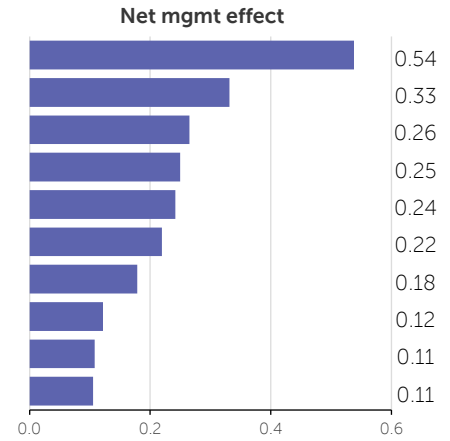
	Portfolio
Taiwan Semiconductor Manufacturing	8.30
Tencent Holdings Ltd	5.66
MercadoLibre Inc	3.95
Midea Group Co Ltd	3.48
MediaTek Inc	3.37
Trip.com Group Ltd	3.25
Contemporary Amperex Tech	2.80
MakeMyTrip Ltd	2.75
SK Hynix Inc	2.75
HDFC Bank Ltd	2.69

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**Performance attribution by security top 10 (%) - 3 months**

**Security**

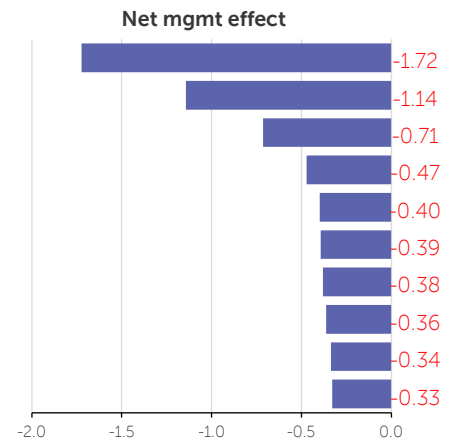
TOTVS SA
MercadoLibre Inc
NetEase Inc
Kanzhun Limited
Tencent Holdings Ltd
Hon Hai Precision Industry Ltd
Infosys Ltd
ANTA Sports Products Limited
Taiwan Semiconductor Manufacturing
Delta Electronics



**Performance attribution by security bottom 10 (%) - 3 months**

**Security**

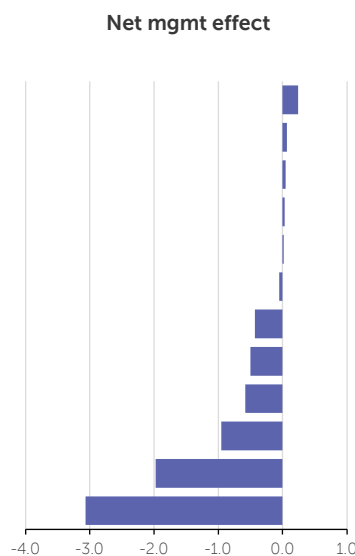
Globant SA
Alibaba Group Holding Ltd
Chroma Ate Inc
Delta Electronics Inc
MakeMyTrip Ltd
Tube Investments of India Ltd
Info Edge (India) Limited
Eternal Ltd
XIAOMI CORP
Sona Blw Precision Forgings LTD



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**Performance attribution by sector (%) - 3 months**

	Portfolio weight	Index weight	Net mgmt effect
Communication Services	11.15	10.29	0.24
Health Care	0.00	3.35	0.07
Utilities	0.00	2.64	0.05
Real Estate	0.00	1.68	0.03
Energy	0.00	4.49	0.02
Cash	2.39	-	-0.05
Consumer Staples	6.59	4.73	-0.43
Materials	1.22	5.94	-0.50
Industrials	9.59	6.31	-0.58
Financials	14.60	24.24	-0.95
Information Technology	28.03	21.72	-1.97
Consumer Discretionary	26.44	14.61	-3.07

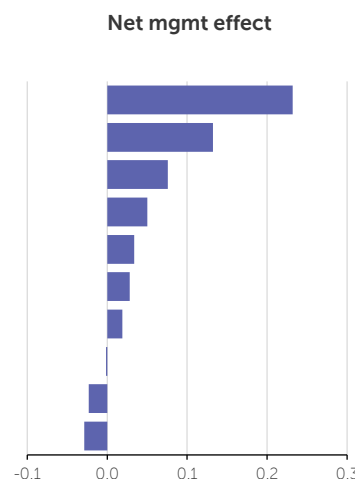


**Sector returns (%) - 3 months**

	Portfolio	Index
	9.80	9.35
	0.00	-2.03
	0.00	-1.84
	0.00	-2.13
	0.00	-0.49
	-	-
	-4.32	-1.05
	-12.30	6.07
	-10.13	-2.76
	-2.52	2.52
	-13.95	-11.52
	-7.94	9.74

**Performance attribution by country top 10 (%)**

	Portfolio weight	Index weight	Net mgmt effect
Thailand	0.00	1.16	0.23
Malaysia	0.00	1.35	0.13
Turkey	0.00	0.57	0.08
Saudi Arabia	0.00	4.07	0.05
Qatar	0.00	0.79	0.03
Hong Kong	1.96	-	0.03
Philippines	0.00	0.49	0.02
Egypt	0.00	0.07	-0.00
United Arab Emirates	0.00	1.41	-0.02
Colombia	0.00	0.12	-0.03

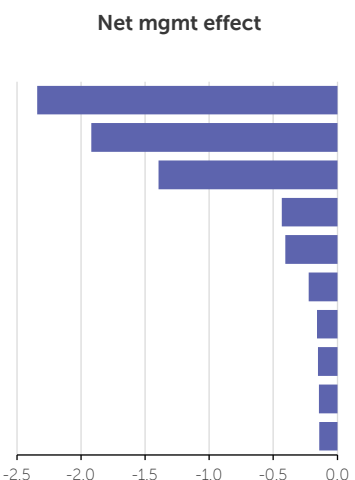


**Country returns (%) - 3 months**

	Portfolio	Index
	0.00	-16.39
	0.00	-8.80
	0.00	-11.67
	0.00	-1.35
	0.00	-4.10
	0.79	-
	0.00	-3.59
	0.00	2.00
	0.00	1.66
	0.00	29.31

**Performance attribution by country bottom 10 (%)**

	Portfolio weight	Index weight	Net mgmt effect
China	26.84	31.34	-2.34
India	24.43	18.55	-1.92
United States	5.65	-	-1.40
South Africa	2.87	3.18	-0.43
Taiwan (Republic of China)	19.16	16.88	-0.41
Poland	0.00	1.02	-0.22
Greece	1.25	0.56	-0.16
Mexico	2.41	1.88	-0.15
Korea (South), Republic of	3.68	9.01	-0.14
Brazil	5.53	4.26	-0.14



**Country returns (%) - 3 months**

	Portfolio	Index
	3.38	11.61
	-12.46	-5.84
	-18.99	-
	-7.79	10.45
	-14.78	-15.23
	0.00	27.36
	-2.78	19.77
	-1.18	5.34
	6.30	1.86
	5.37	10.52

Source: Newton FactSet as at 31/03/2025. Portfolio details relate to a representative portfolio, BNY Mellon Global Emerging Markets Opportunities Fund, which adheres to the same investment approach as the strategy. The strategy does not aim to replicate either the composition or performance of the performance benchmark.

## Transaction highlights

### Purchases



**Eurobank**  
Financials

Retail and private banking group founded in Greece but with presence elsewhere in Europe. We initiated a position on the back of solid fundamental analysis and to increase regional diversification.



**Bidvest Group**  
Industrials

Business services, trading and distribution group, including freight and automotive divisions. We started a new position due to an attractive valuation for a business that has the potential to compound good returns that are above those of market peers.



**Supreme Industries**  
Materials

Large Indian plastics manufacturing and processing company. The upgrading of infrastructure in the Indian agricultural sector will require PVC pipes, where this business is a leading provider. We started a new position in the quarter.

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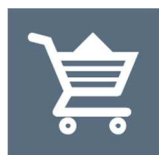
## Transaction highlights

### Sales



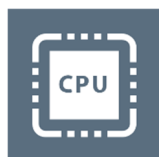
**Bank Mandiri**  
Financials

State-owned bank providing retail, business and investment banking services. The establishment during the quarter of a sovereign wealth fund, for which Bank Mandiri will provide financing, caused uncertainty about the use of capital, meaning we could not have confidence that our original investment thesis would still hold.



**Wal-Mart de Mexico**  
Consumer staples

Retail business operating supermarkets, discount warehouses and wholesalers. A disappointing company meeting and the deteriorating competitive environment led us to exit this position.



**ASE Technology**

Information technology

Semiconductor outsourcing business that designs and manufactures semiconductor materials and packaging, as well as providing assembly and testing services. Demand from key end customers may shift due to an increased focus on the US, so we exited the position.

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## Key risks

### Newton Concentrated Global Emerging Markets Strategy

Past performance is not a guide to future performance. Your capital may be at risk. The value of investments and the income from them can fall as well as rise and investors may not get back the original amount invested. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. Newton is not a tax expert and independent tax and/or legal advice should be sought.

#### Investment performance %

	Mar 24 to Mar 25	Mar 23 to Mar 24	Mar 22 to Mar 23	Mar 21 to Mar 22	Mar 20 to Mar 21
Newton Concentrated Global Emerging Markets Strategy - Net	-3.35	3.92	-1.25	-11.53	74.98
Newton Concentrated Global Emerging Markets Strategy - Gross	-2.62	4.70	-0.51	-10.86	76.29
Performance Benchmark*	5.79	5.86	-4.91	-7.12	42.34

#### Performance calendar years %

	YTD 2025	2024	2023	2022	2021
Newton Concentrated Global Emerging Markets Strategy - Net	-7.30	7.02	2.86	-13.78	-1.50
Newton Concentrated Global Emerging Markets Strategy - Gross	-7.13	7.83	3.64	-13.14	-0.76
Performance Benchmark*	-0.13	9.43	3.63	-10.02	-1.64

Source: Newton. As at 31/03/2025

Source: Newton FactSet, Newton Concentrated Global Emerging Markets composite. As at 31/03/2025. Performance is stated net and gross of management fees. The net-of-fee returns are calculated by deducting an annual management charge of 0.75% from the composite gross-of-fee returns. The impact of fees can be material. A fee schedule providing further detail is available upon request.

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#### Risk factors

- Objective/Performance Risk: There is no guarantee that the strategy will achieve its objectives.
- Currency Risk: This strategy invests in international markets which means it is exposed to changes in currency rates which could affect the value of the strategy.
- Geographic Concentration Risk: The strategy primarily invests in a single market which may have a significant impact on the value of the strategy.
- Derivatives Risk: Derivatives are highly sensitive to changes in the value of the asset from which their value is derived. A small movement in the value of the underlying asset can cause a large movement in the value of the derivative. This can increase the sizes of losses and gains, causing the value of your investment to fluctuate. When using derivatives, the strategy can lose significantly more than the amount it has invested in derivatives.
- Emerging Markets Risk: Emerging Markets have additional risks due to less-developed market practices.
- Concentration Risk: A fall in the value of a single investment may have a significant impact on the value of the strategy because it typically invests in a limited number of investments.
- Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect ('Stock Connect') risk: The strategy may invest in China A shares through Stock Connect programmes. These may be subject to regulatory changes and quota limitations. An operational constraint such as a suspension in trading could negatively affect the strategy's ability to achieve its investment objective.
- Counterparty Risk: The insolvency of any institutions providing services such as custody of assets or acting as a counterparty to derivatives or other contractual arrangements, may expose the strategy to financial loss.

## Important information

This is a financial promotion and has been issued by Newton Investment Management Ltd. 'Newton' and/or 'Newton Investment Management' is a corporate brand which refers to the following group of affiliated companies: Newton Investment Management Limited (NIM), Newton Investment Management North America LLC (NIMNA) and Newton Investment Management Japan Limited (NIMJ). NIMNA was established in 2021 and NIMJ was established in March 2023. In the United Kingdom, NIM is authorised and regulated by the Financial Conduct Authority ('FCA'), 12 Endeavour Square, London, E20 1JN, in the conduct of investment business. Registered in England no. 01371973. NIM and NIMNA are both registered as investment advisors with the Securities & Exchange Commission ('SEC') to offer investment advisory services in the United States. NIM's investment business in the United States is described in Form ADV, Part 1 and 2, which can be obtained from the SEC.gov website or obtained upon request. NIMJ is authorised and regulated by the Japan Financial Services Agency (JFSA). All firms are indirect subsidiaries of The Bank of New York Mellon Corporation ('BNY').

Newton's assets under management are as of the most recent quarter end, unless noted otherwise. Newton's assets under management include assets collectively managed by NIM, NIMNA and NIMJ. In addition, AUM for Newton includes assets of bank-maintained collective investment funds for which Newton has been appointed sub-advisor, where Newton personnel act as dual officers of affiliated companies and assets of wrap fee account(s) for which Newton provides sub-advisory services to the primary manager of the wrap program.

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The MSCI Emerging Markets NDR index is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark. The Newton Concentrated Global Emerging Markets Strategy composite includes any Newton managed segregated accounts that follow the strategy and the BNY Mellon Global Emerging Markets Opportunities Fund.

Newton manages a variety of investment strategies. How ESG analysis is integrated into Newton's strategies depends on the asset classes and/or the particular strategy involved. ESG can be one of many inputs into the fundamental analysis. Newton will make investment decisions that are not based solely on ESG analysis. Other attributes of an investment may outweigh ESG analysis when making investment decisions.

Newton claims compliance with the Global Investment Performance Standards (GIPS®). To receive a list of composite descriptions and/or list of Broadly Distributed Pooled Funds and/or a GIPS Report contact Newton at +44 (0)20 7163 9000 or write to Newton at [contact@newtonim.com](mailto:contact@newtonim.com). Model Fees are used to calculate the strategy's net returns and performance returns include the reinvestment of dividends and other earnings. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Newton Emerging Markets Composite contains fully discretionary portfolios with invest in emerging market equities and for comparison purposes is measured against the MSCI Emerging Markets Index.

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