

CHINA: INTERESTING TIMES

A dramatic sky scene with a rocket launch and a building. The background is a vast, cloudy sky transitioning from a warm, golden-orange glow on the left to a deep, clear blue on the right. In the center, a tall, dark rocket is launching, with a large plume of white smoke and fire trailing behind it. To the left of the rocket, a dark, rectangular structure, possibly a building or a launch pad, is visible. The overall atmosphere is one of power and progress.

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Head of investment

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Global strategist

Naomi Waistell
Portfolio manager, emerging
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Nick Clay
Portfolio manager,
global equity team

#NEWTON2018



LOOK →

望左

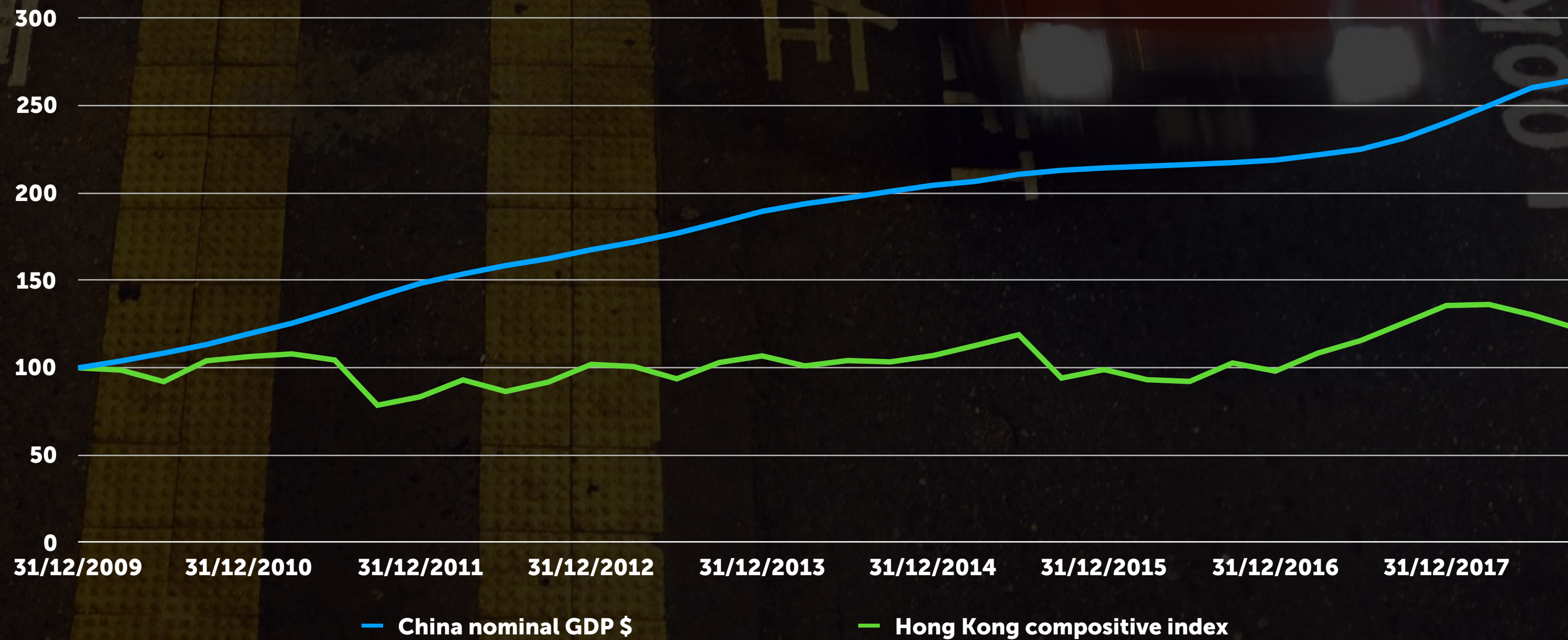
望右



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 or 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 Fund because it primarily invests in this market.



China nominal GDP vs. Hong Kong composite index (rebased to 100 at December 2009)





CREDIT CYCLE

A circular icon containing a white dollar sign (\$) in the center, with two curved arrows forming a clockwise cycle around it. Below the icon, the text "CREDIT CYCLE" is written in bold white capital letters on a dark red background.

ECONOMIC REBALANCING

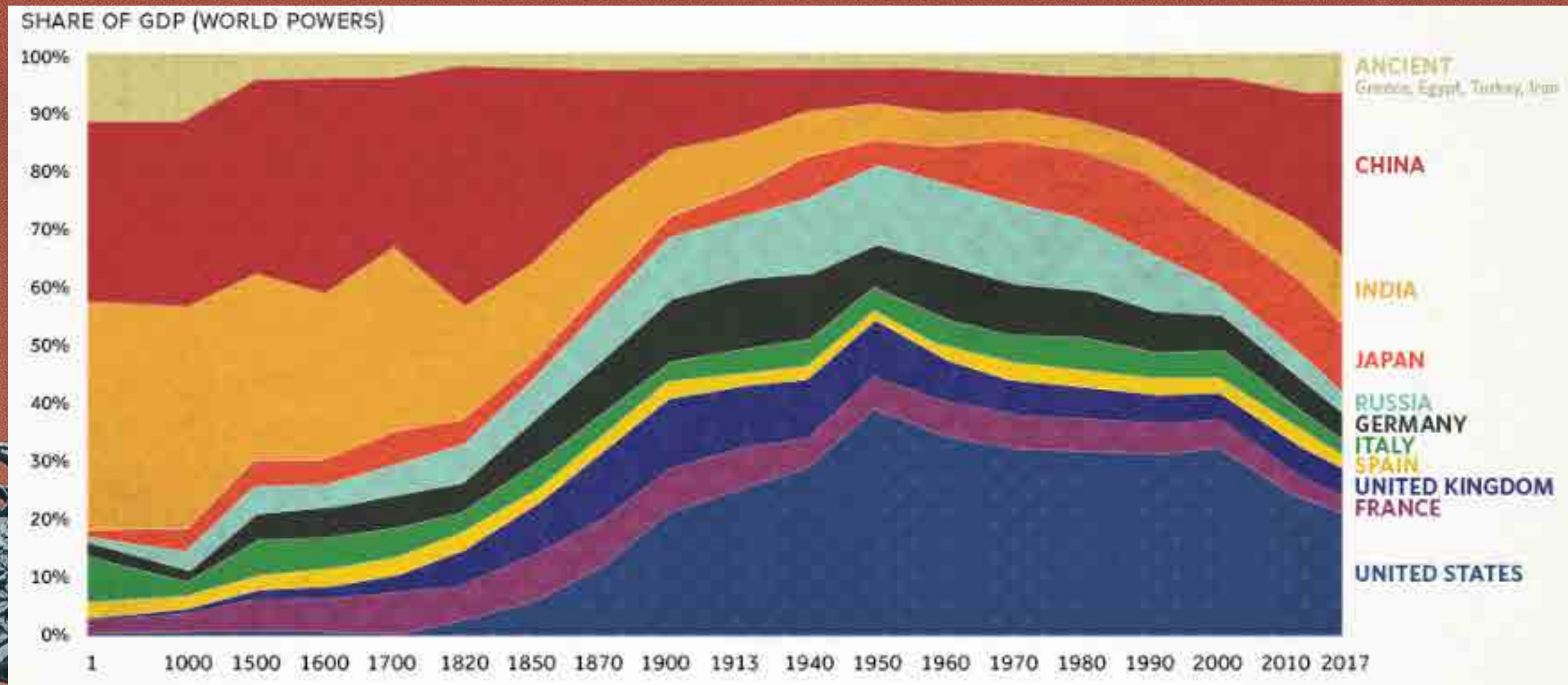
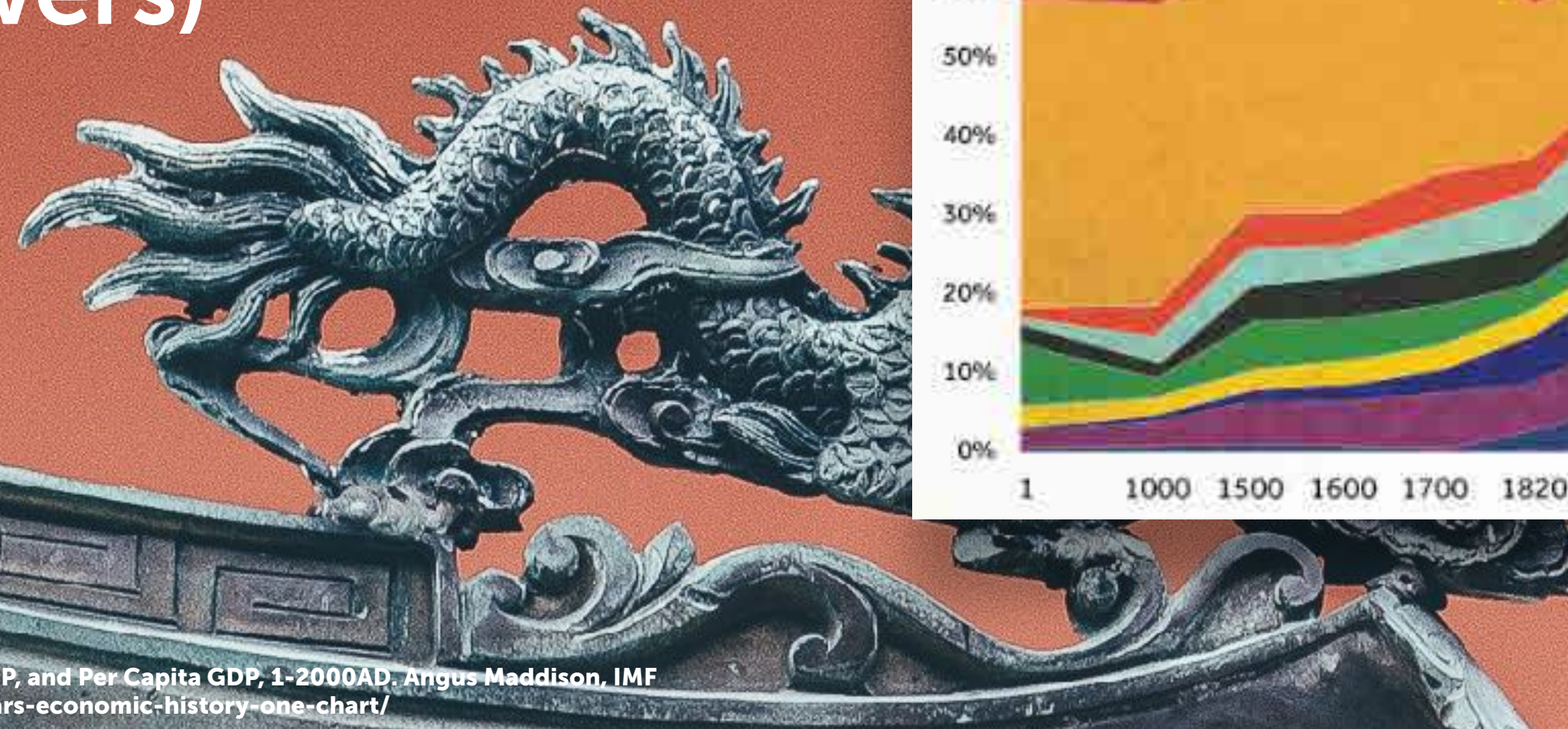
An icon of a white balance scale with two pans, one higher than the other. Below the icon, the text "ECONOMIC REBALANCING" is written in bold white capital letters on a dark red background.

GEOPOLITICS

An icon of a white globe with a circular arrow around it, indicating a cycle or process. Below the icon, the text "GEOPOLITICS" is written in bold white capital letters on a dark red background.

GUESS WHO'S BACK?

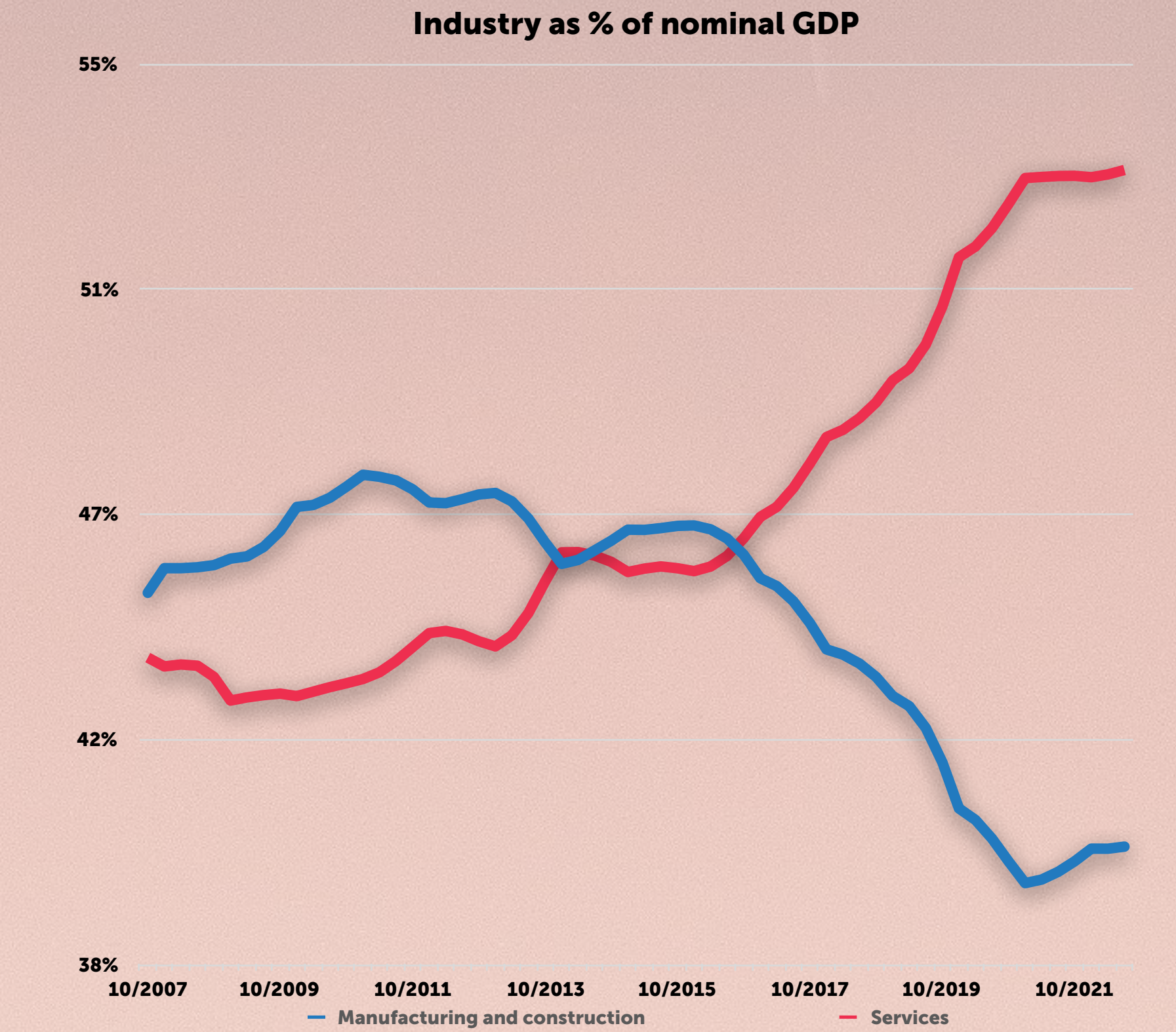
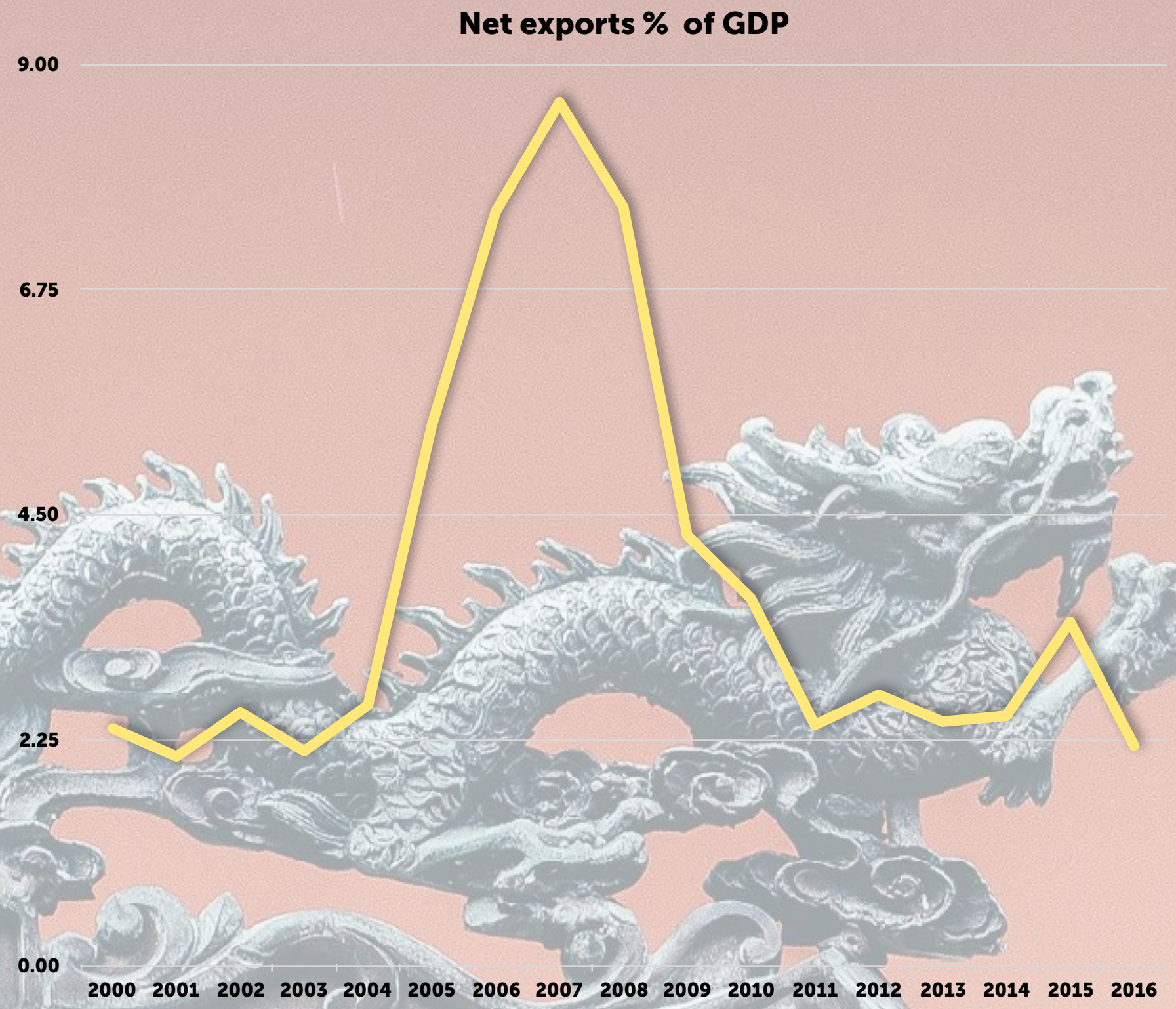
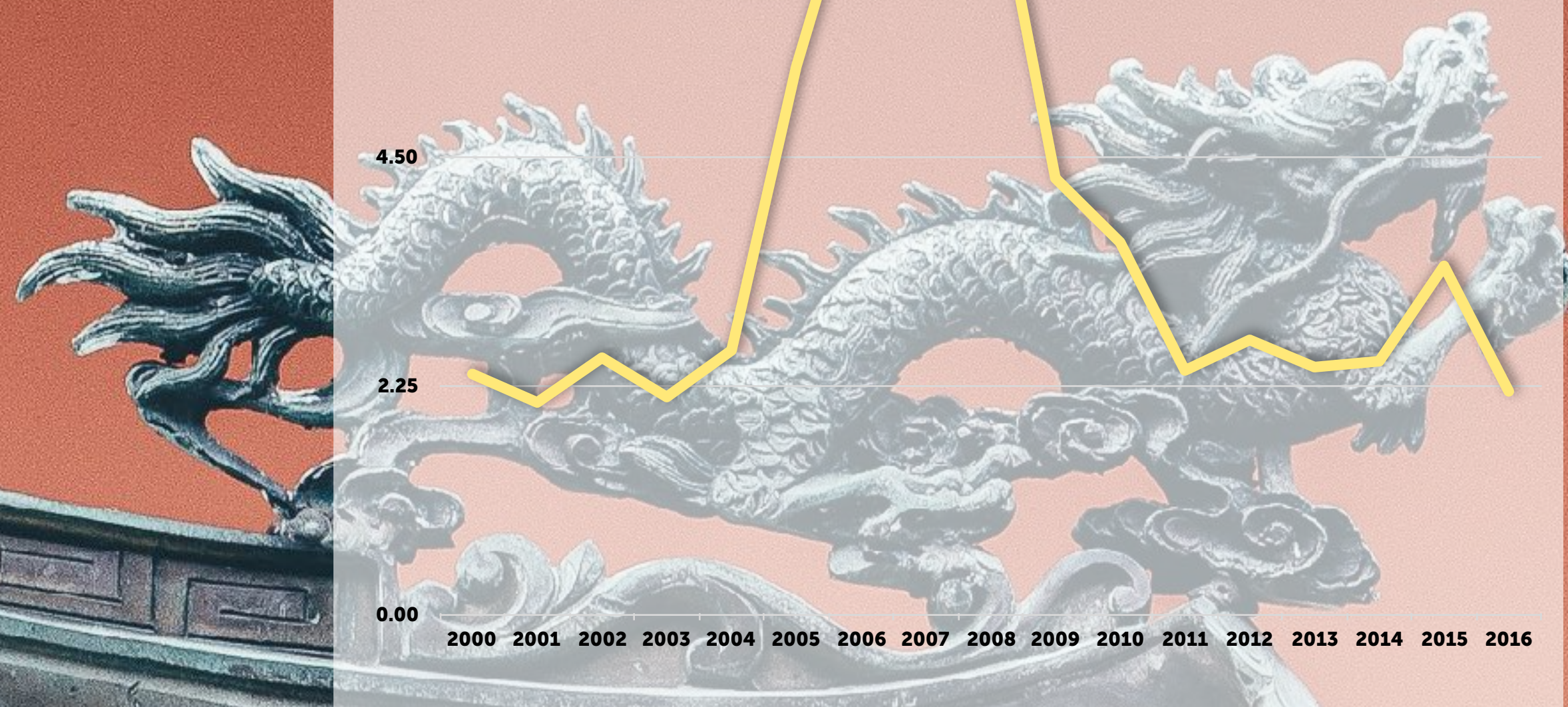
Share of GDP (world powers)



Source: Statistics on World Population, GDP, and Per Capita GDP, 1-2000AD, Angus Maddison, IMF
<http://www.visualcapitalist.com/2000-years-economic-history-one-chart/>

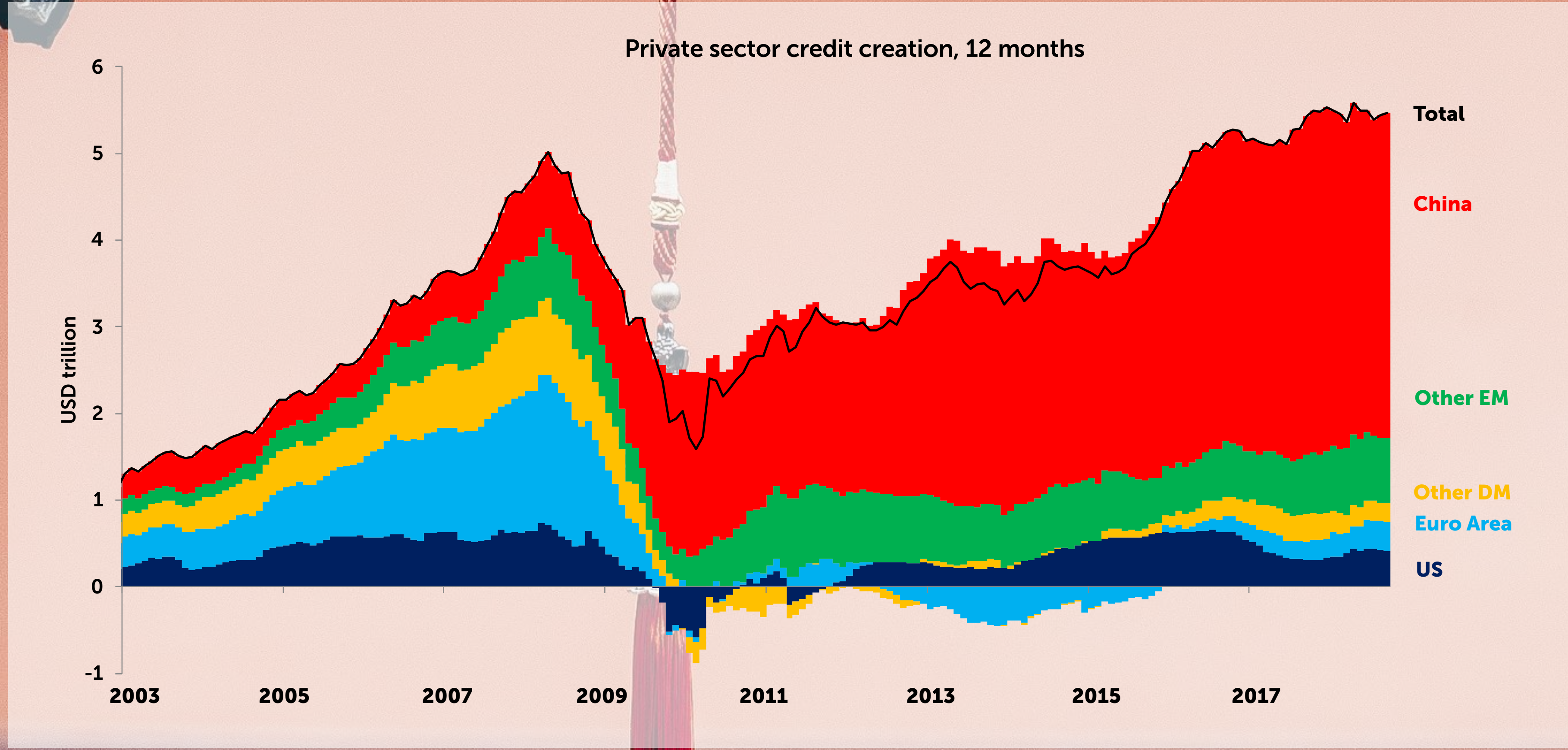
ECONOMIC REBALANCING

Source Bloomberg

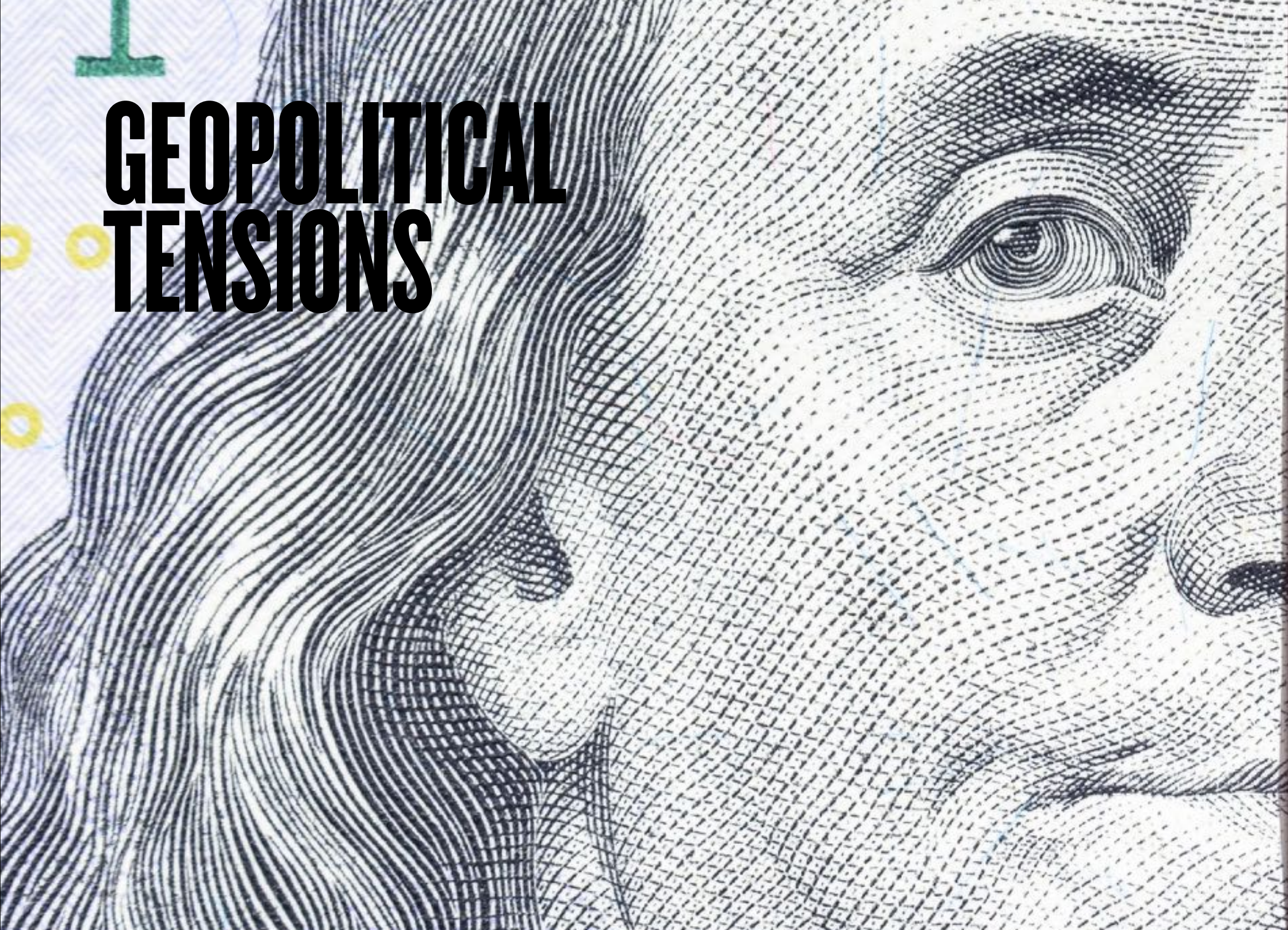


BUT DEBT LIES BEHIND THE REBALANCING

Source: Statistics on World Population, GDP, and Per Capita GDP, 1-2000AD. Angus Maddison, IMF



GEOPOLITICAL TENSIONS



NEWTON

Investment
Management

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