

## CT (Lux) Responsible Global Emerging Markets Equity



Q2 2025 | For professional investors only

### Objectives and investment policy

The Fund objective is to enable investors to participate in an actively managed portfolio of emerging market companies contributing to or benefiting from sustainable economic development. The Fund is actively managed. It is not constrained by its comparator benchmark, is the MSCI Emerging Markets NR Index, and has significant freedom to invest in a portfolio that is materially different to the benchmark's own composition. The Fund seeks to meet its investment objective by investing in companies demonstrating commitment to good governance and sustainability. Companies must meet standards, including board balance and independence, transparency and protecting shareholder rights. They must also demonstrate a clear commitment to sustainable environmental and social practices.

### Key risks

Past performance should not be seen as an indication of future performance. The value of investments and the income derived from them can go down as well as up as a result of market or currency movements and an investor may not get back the original amount invested.

### Sustainability label

This product is based overseas and is not subject to UK sustainable investment labelling and disclosure requirements.

### Morningstar rating†



### Key facts

Fund inception date:	01 July 1994
Lead portfolio manager:	Gokce Bulut
Benchmark:	MSCI Emerging Markets NR
Fund size:	\$90.97 million
SFDR category:	Article 8
Base currency:	USD
ISIN:	LU1526063463
Share class:	R Acc
Share class inception date:	25 November 2016
Number of holdings:	59

### Discrete performance as at 30.06.25 (%)

	2024/25	2023/24	2022/23	2021/22	2020/21
Fund	8.20	7.01	-1.02	-14.61	18.71
Benchmark	6.35	13.19	-2.81	-15.01	26.03

Source: Columbia Threadneedle Investments as at 30-Jun-25.

### Performance as at 30.06.25 GBP (%)

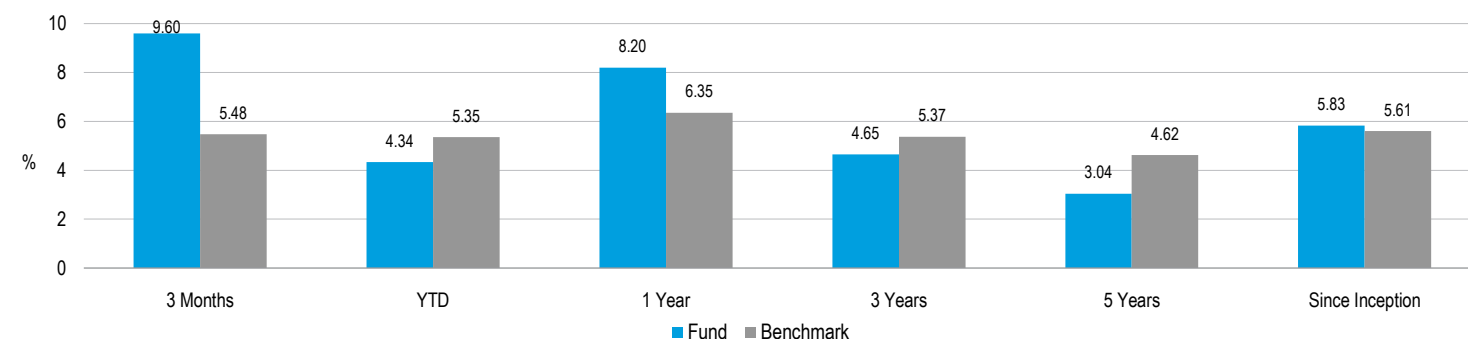
	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Fund	9.60	4.34	8.20	4.65	3.04	5.83
Benchmark	5.48	5.35	6.35	5.37	4.62	5.61

Returns for periods greater than one year are annualised.

Performance is gross of fees but net of expenses. The effect of fees or costs will be to lower the figures shown.

Inception date of share class 25.11.2016.

### Fund performance as at 30.06.25



Fund manager commentary

Market overview

Emerging markets (EM) made further gains over the second quarter, despite initial volatility following President Trump's "Liberation Day" tariff announcements. However, this was followed by a significant recovery as Trump softened his protectionist stance and hopes grew that the US could reach trade deals with many countries, notably China. Indeed, in late June, the two countries reached agreements on tariff reductions and normalised trade in rare earth minerals.

EM equities were also supported by hopes of a more dovish Federal Reserve, a weaker US dollar and renewed optimism around AI-driven demand for semiconductors. This last factor resulted in the tech-heavy Taiwanese and Korean markets enjoying stellar gains over the quarter and outperforming the broader EM index. By contrast, Indian equities lagged. Elsewhere, Brazil and Mexico fared well.

Activity

During the quarter, we introduced a new holding, eMemory Technology, a Taiwanese company that licenses its intellectual property (IP) for embedded non-volatile memory (eNVM) to semiconductor foundries. The eNVM is built into the chips' architecture to enable faster, more secure and lower-power operations for critical data such as firmware and encryption keys. Clients include Nvidia, Apple and TSMC. Over 70% of revenues come from royalties on each chip produced under licence. eMemory has a strong research and development focus, supporting deep collaboration with its manufacturing clients. The company is benefiting from rising demand for memory-intensive, low-power and secure chips. It is expanding beyond memory, adding security IP and rolling out new process-platform integrations to sustain its technological leadership. We sold our holding in Centre Testing International, which provides one-stop solutions for testing, inspection, certification and calibration, as well as audit, training and other technical services.

Performance

Over the quarter, the fund significantly outperformed its benchmark. Geographically, selection in South Korea was the key driver. There were also strong contributions from selection in China and Taiwan. The off-benchmark exposure to Vietnam detracted. By sector, selection in communication services was particularly beneficial, with additional contributions from selection in consumer discretionary and financials. The overweight to technology was also a significant positive. The largest detractor was selection in the real estate sector. In terms of stocks, positive contributors included holdings in HD Hyundai Electric and SK Hynix. These stocks rallied amid renewed optimism around AI beneficiaries. HD Hyundai Electric is expected to gain from growing energy demand related to AI data centres. Chipmaker SK Hynix reported a positive Q1 thanks to strong sales of high-bandwidth memory products and AI-driven demand. These two stocks also benefited from positive sentiment towards Korean equities after the presidential election in June stoked hopes that the new government could take steps to address the long-standing "Korea discount". The zero weights in Chinese blue chips Alibaba and Tencent contributed as these shares gave back some of last quarter's outperformance. We do not hold these stocks because of environmental, social, and governance issues. Detractors included holdings in Chinese electric vehicle (EV) manufacturers Yadea (which makes electric bicycles and motorbikes) and BYD (cars). While both shares sold off sharply with the market in early April as US-China trade tensions escalated, even as concerns eased and the market recovered, the shares underperformed as weak domestic consumption overhung both shares. Yadea issued a profit warning last year, highlighting how vulnerable they are to domestic demand. For BYD, price competition in the domestic market impacted profit margins, while increased regulatory oversight (mandating quicker payments to suppliers) negatively impacted sentiment. FPT Corporation, the Vietnamese IT services company, underperformed on the back of the Liberation Day announcement. However, FPT's shares also later recovered as US-Vietnam trade negotiations seemed to make progress, with the two countries reaching a deal in early July.

Summary statistics

Ex-ante Beta	1.02
Ex-ante Tracking Error	4.32%
Active Share	77.77%
Price/Book	4.01
Price/Earnings (TTM)	21.66
Return on Equity (1yr ROE)	22.96
Weighted Average Market Cap	\$144,424m

Top 5 overweight and underweight holdings (%)

	Fund	Benchmark	Relative
FPT Corp	3.2	0.0	3.2
Hong Kong Exchanges & Clearing	2.9	0.0	2.9
SK Hynix	4.2	1.3	2.9
Xiaomi Corp	4.2	1.5	2.7
Hyundai Electric & Energy System	2.6	0.1	2.5
Tencent Holdings	0.0	4.7	-4.7
Alibaba Group Holding	0.0	2.7	-2.7
Samsung Electronics	0.0	2.7	-2.7
Reliance Industries	0.0	1.2	-1.2
China Construction Bank	0.0	1.1	-1.1

## Sector weightings (%)

	Fund	Benchmark	Relative
Information Technology	34.8	24.1	10.7
Financials	22.2	24.5	-2.3
Consumer Discretionary	12.3	12.7	-0.4
Industrials	8.5	6.9	1.6
Health Care	6.9	3.2	3.7
Consumer Staples	5.6	4.5	1.1
Communication Services	4.5	9.8	-5.3
Cash	2.8	0.0	2.8
Real Estate	2.4	1.6	0.8
Utilities	0.0	2.6	-2.6
Energy	0.0	4.3	-4.3
Materials	0.0	5.8	-5.8

Numbers may not sum due to rounding

## Region weightings (%)

	Fund	Benchmark	Relative
China/HK	25.2	28.4	-3.2
Taiwan	20.7	18.9	1.8
India	18.0	18.1	-0.1
South Korea	9.7	10.7	-1.0
Vietnam	3.2	0.0	3.2
Brazil	3.0	4.4	-1.4
Greece	2.9	0.6	2.3
Cash	2.8	0.0	2.8
Mexico	2.7	2.0	0.7
South Africa	2.6	3.2	-0.6
Argentina	2.4	0.0	2.4
Portugal	2.3	0.0	2.3
Indonesia	1.3	1.2	0.1
Turkey	1.1	0.5	0.6
Malaysia	1.0	1.3	-0.3
Poland	0.8	1.1	-0.3
United States	0.4	0.0	0.4
Belgium / Luxembourg	0.0	0.0	0.0
Chile	0.0	0.5	-0.5
Colombia	0.0	0.1	-0.1
Czech Republic	0.0	0.2	-0.2
Egypt	0.0	0.1	-0.1
Hungary	0.0	0.3	-0.3
Kuwait	0.0	0.8	-0.8
Peru	0.0	0.3	-0.3
Philippines	0.0	0.5	-0.5
Qatar	0.0	0.7	-0.7
Russia	0.0	0.0	0.0
Saudi Arabia	0.0	3.5	-3.5
Thailand	0.0	1.0	-1.0
United Arab Emirates	0.0	1.6	-1.6

## Contact

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The current Prospectus and summarised investor rights as well as latest financial reports can be obtained the AIFM as described in the Prospectus. Please read the Prospectus before taking any investment decision. The AIFM may decide to terminate the arrangements made for the marketing of the Fund.

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