

invest

Heading East: The Case for Emerging Market Asia

Lungile Macuacua

2026

MEET + THE
Managers



1invest

Standard Bank Group



hello

Meet the Managers

June 2026

invest
Standard Bank Group



Standard Bank's center of excellence for index investing.

1invest was formed through a collaboration between Liberty Holdings, Standard Bank and STANLIB as a specialist index Exchange Traded Funds and Unit Trusts asset manager

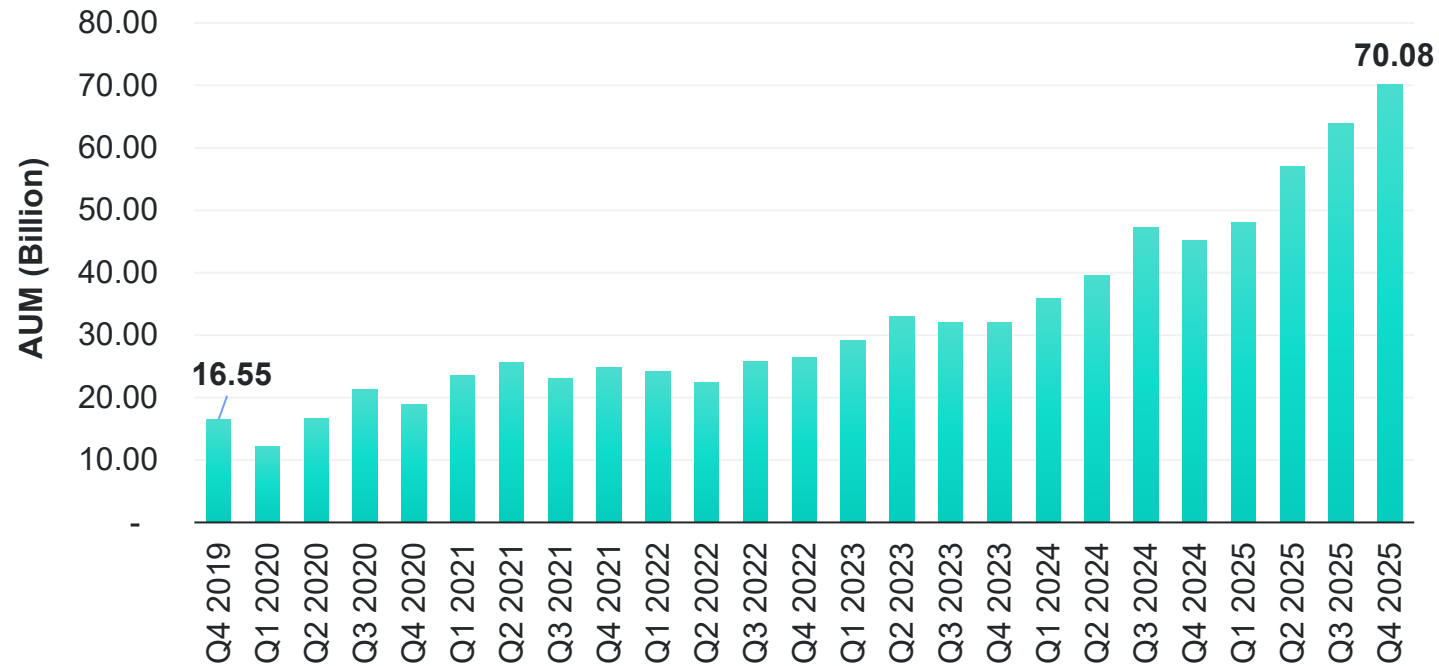
- **Relevant, progressive and compelling index tracking products** that our investors can use as diverse building blocks in their **standard or tax-free** investment portfolios.
- Broad range of funds with **existing and established track records**
- **Local and Global Ranges** of funds across **most asset classes**, including commodities



a growth story rooted in market relevance



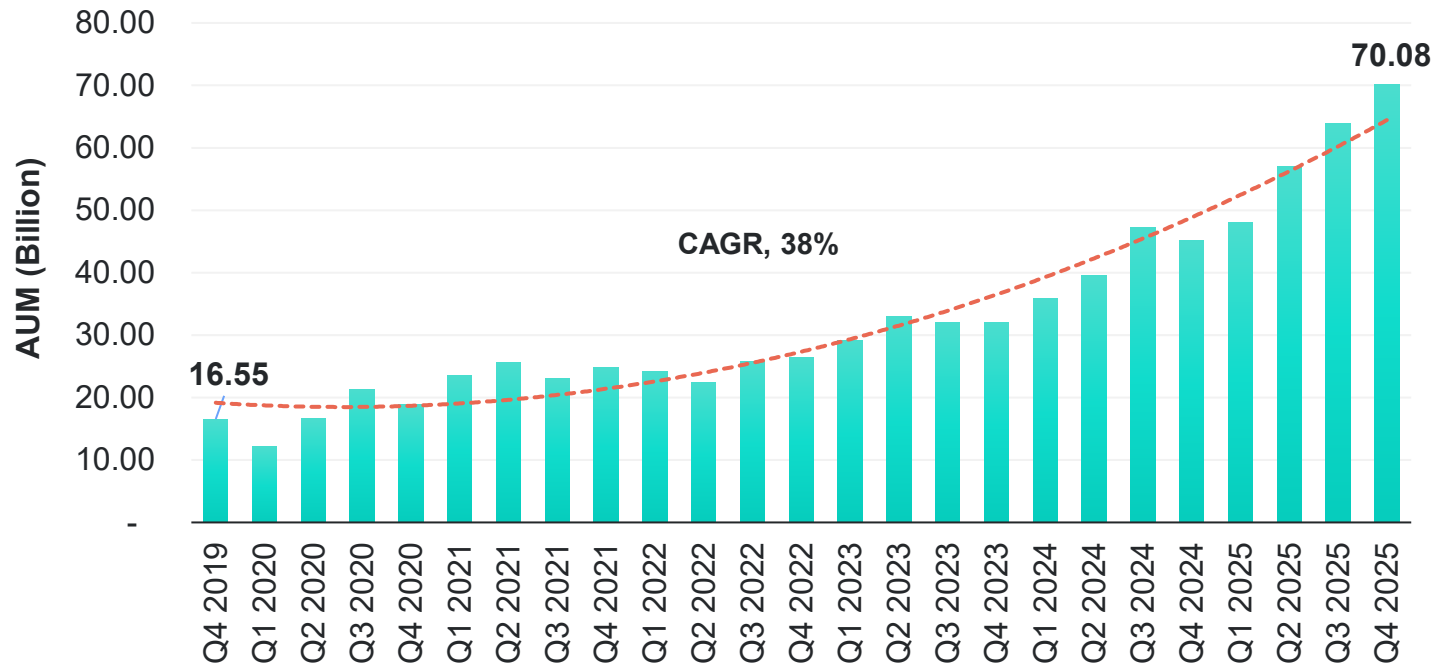
Invest Total AUM (2019 - Dec 2025)



a growth story rooted in market relevance

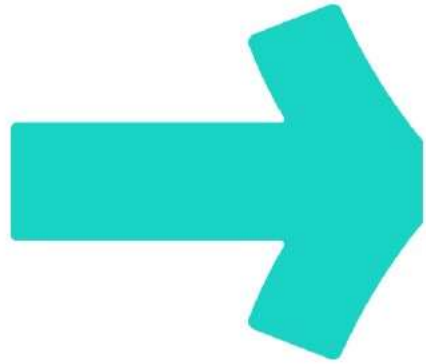


Invest Total AUM (2019 - Dec 2025)



Over the past six years, we've seen our AUM grow from just over R16 billion to R70 billion — a nearly threefold increase





what we will cover today

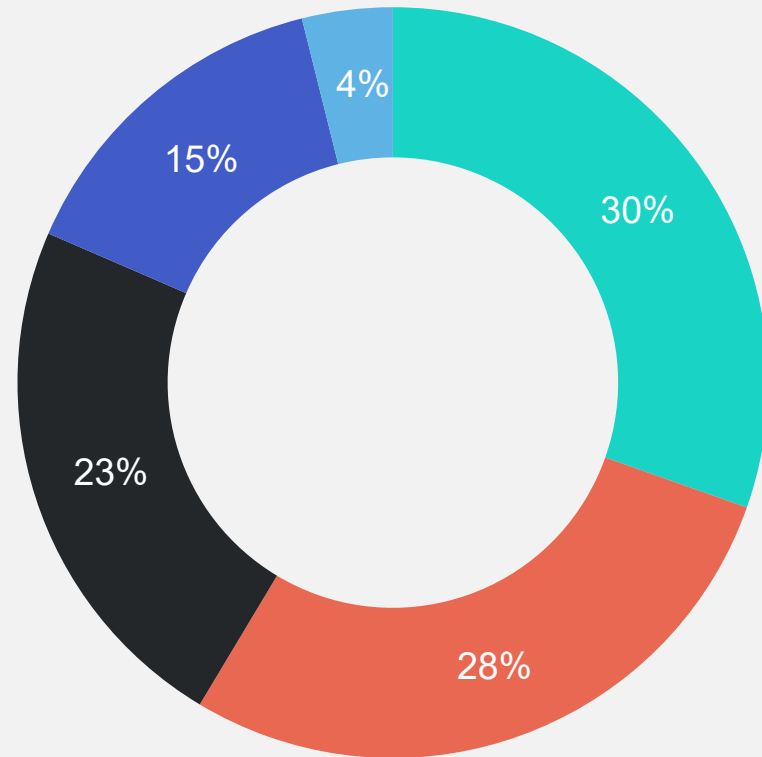
01. Beyond China	Eight countries. The geography of the opportunity.
02. Honest Risk Picture	Macro backdrops and why the case still holds
03. Key Growth Engines	AI & Digital Innovation. Export resets and the new consumer- the structural case.
04. The Index & the ETF	1invest MSCI EM Asia STANLIB Feeder ETF - JSE: ETFEMA.



Beyond China

the rise of India, Taiwan,
and Southeast Asia as
investable powerhouses

east of everything - one index, eight economies.



Taiwan (30.4%)
China (28.2%)
South Korea (22.9%)
India (14.6%)
Others (3.9%)

KEY INSIGHT: Taiwan is the largest single country weight ahead of China. The index is driven by technology infrastructure, not state policy.

30.4%

Taiwan - TSMC 71% global foundry share. Semiconductor exports strategically tariff-exempt.

28.2%

China - world's 2nd-largest economy, 4.4% GDP growth 2026.

22.9%

South Korea - governance reform closing the Korea Discount. MSCI Korea +119%.

14.6%

India - 6.4% GDP growth, on track for world's 3rd-largest economy.

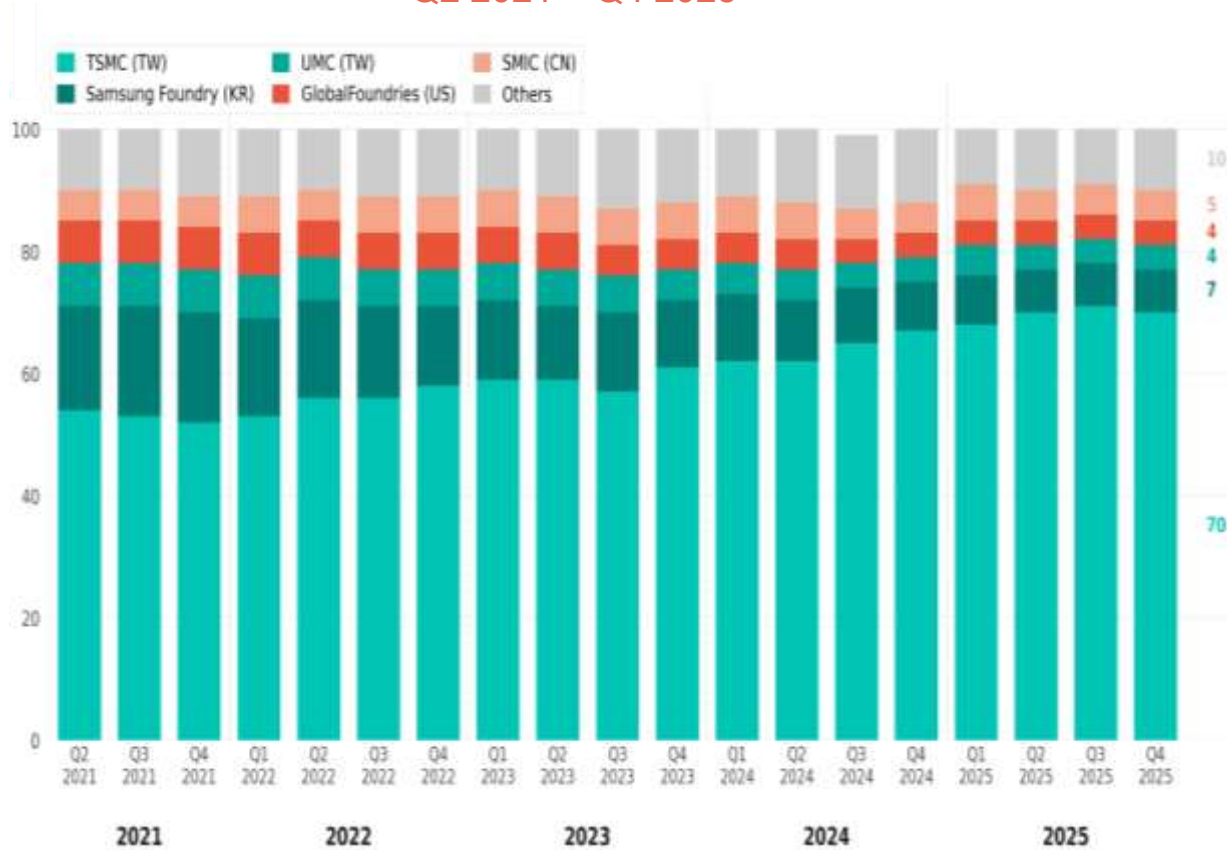
3.9%

Others - Malaysia, Indonesia, Philippines, Thailand. China+1 beneficiaries.

Taiwan

the world runs on Taiwanese chips

Market Share of semiconductor foundries by revenue(%)
Q2 2021 – Q4 2025



Sources: TrendForce Q12021-Q42025. Statista, Florian Zandt

TW Taiwan | TSMC

\$35.9bn Q1 2026 revenue - up 35% YoY

+58% Net profit surge, fresh record

71% Global foundry market share

Exempt Taiwan semis: strategically exempt from US tariffs

>30% Full-year 2026 revenue growth guidance

The region building the future is still underrepresented in most SA portfolios.

South Korea

South Korea

KR South Korea | Samsung Electronics

+119% MSCI Korea Index 12-month return

+208% Samsung Q4 2025 operating profit YoY

₩93tn Samsung record Q4 2025 revenue

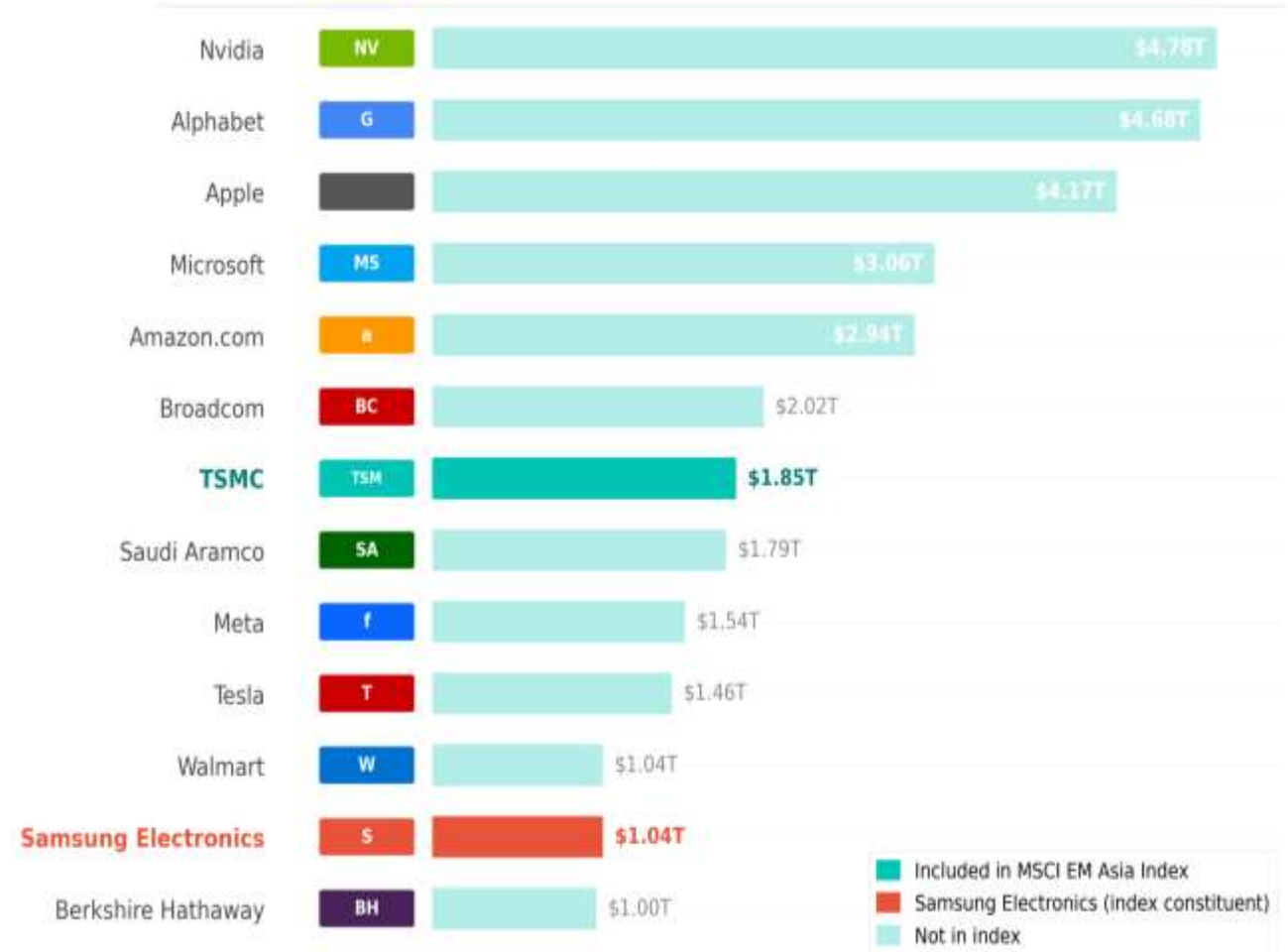
HBM High-bandwidth memory - AI computing critical input

×3 Samsung HBM shipments projected to triple in 2026.

TSMC makes the chip that processes. Samsung makes the memory that stores. Two halves of the same story.

Samsung joins \$1 Trillion club fuelled by AI demand

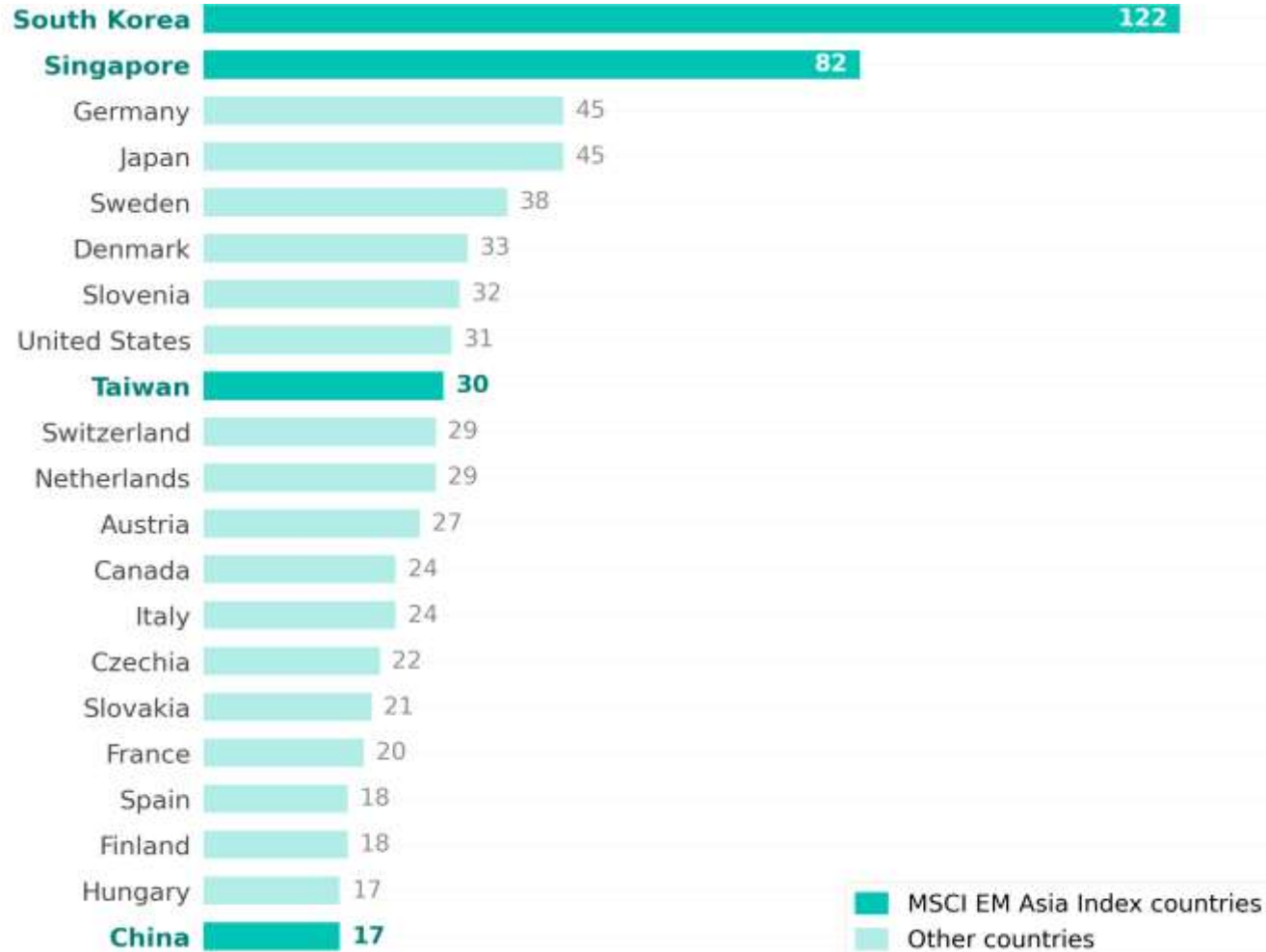
Global companies ranked by market capitalisation



Source: Bloomberg

are the robots taking over?

Industrial robots in operation per 1000 employees in manufacturing in 2024
Ranked by robot density in manufacturing



Sources: International Federation of Robotics

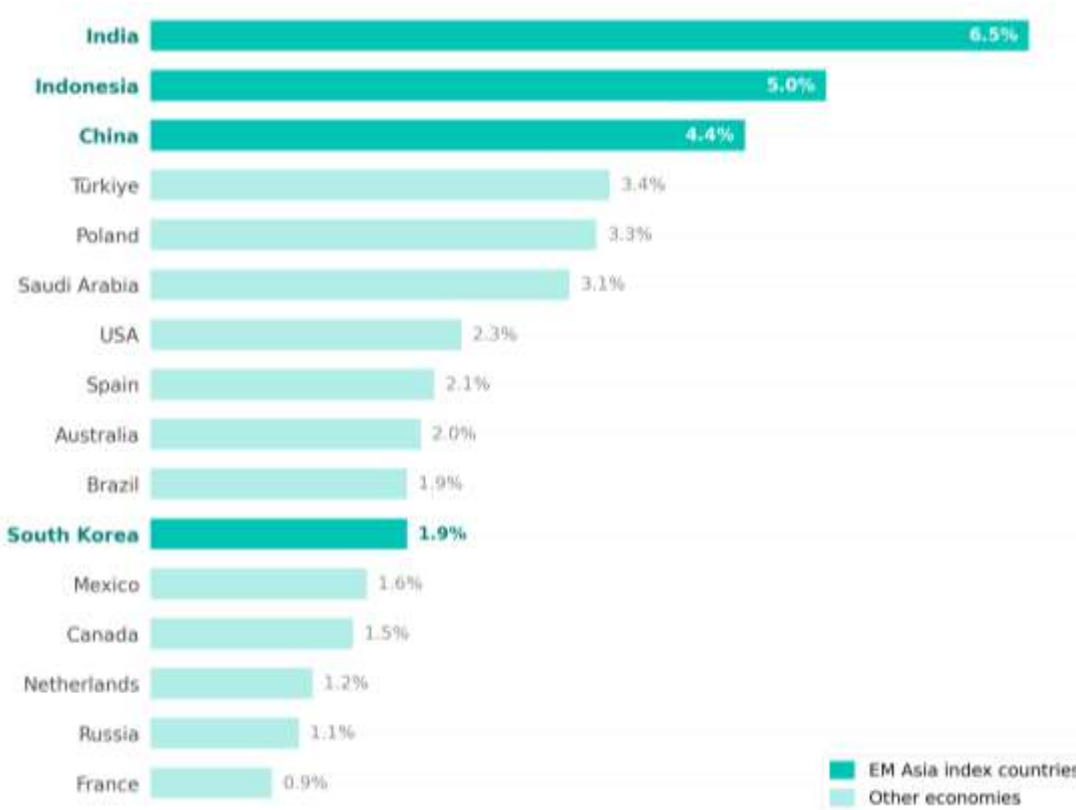


India - the world's fastest-growing major economy

Why India is different from every other growth story

Fastest growing economies in 2026

Top 16 largest economies ranked by projected real GDP growth (inflation-adjusted)



Source: IMF World Economic Outlook, April 2026

IN India

6.4%

IMF GDP growth forecast 2026
EU & UK trade deals in progress, opening new export corridors.

1.4bn

People entering peak earning years
E-commerce, fintech and digital services adoption accelerating.

\$1tn

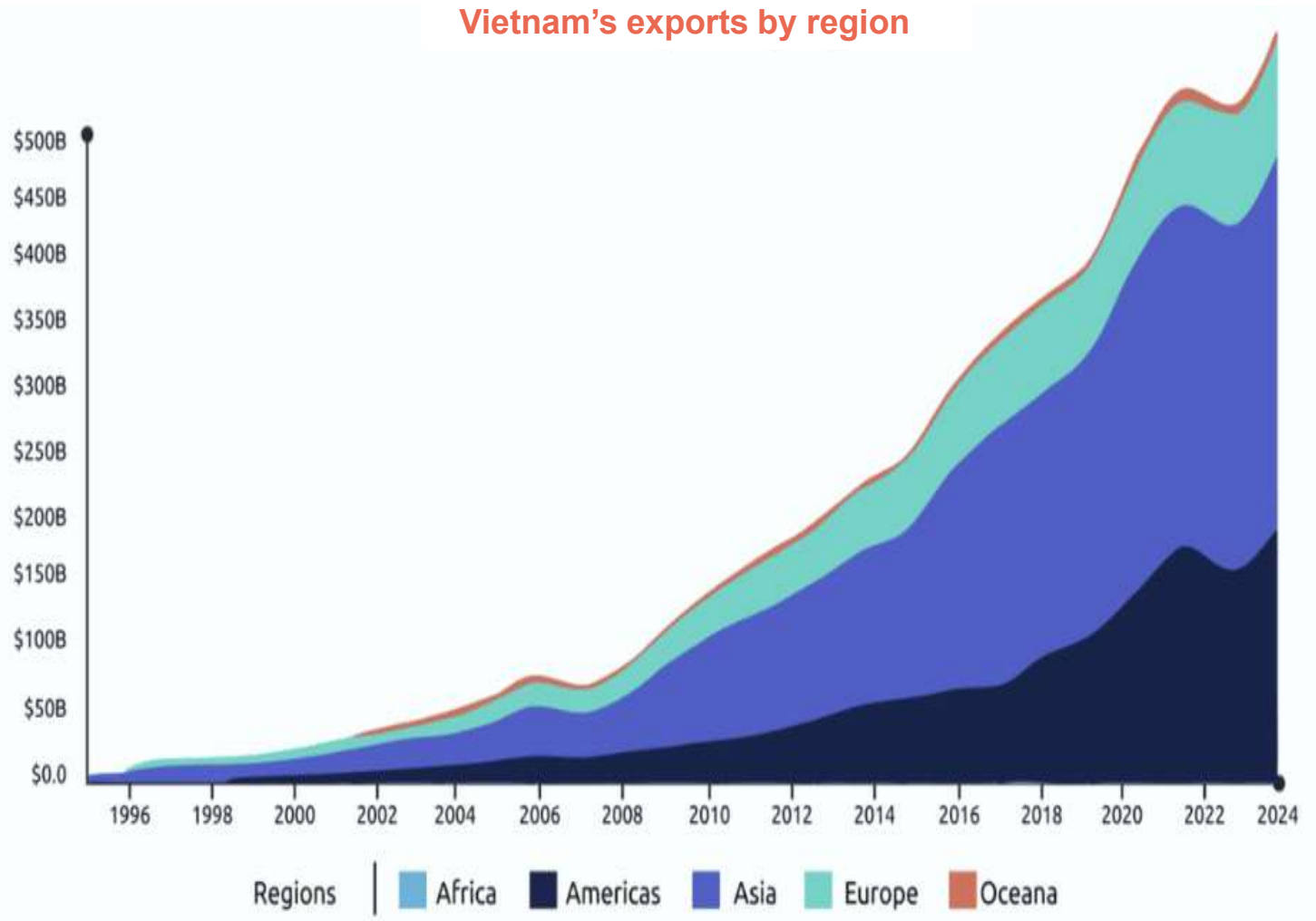
India digital economy target by 2030
Domestically-driven story, not dependent on global trade cycles.

Top 3

Economy globally within this decade
IMF WEO Jan 2026. On track to become world's 3rd-largest economy.

the China+1 Manufacturing Shift - ASEAN as the Beneficiary

Vietnam's exports by region



Where the money is landing

Key China+1 beneficiaries by sector

Vietnam

Electronics & Semiconductors

#1 electronics exporter in SEA

Indonesia

EV Batteries & Nickel

40% of global nickel reserves

Malaysia

Semiconductors & Data Centres

MYR 170B committed 2023

Thailand

Automotive & Clean Energy

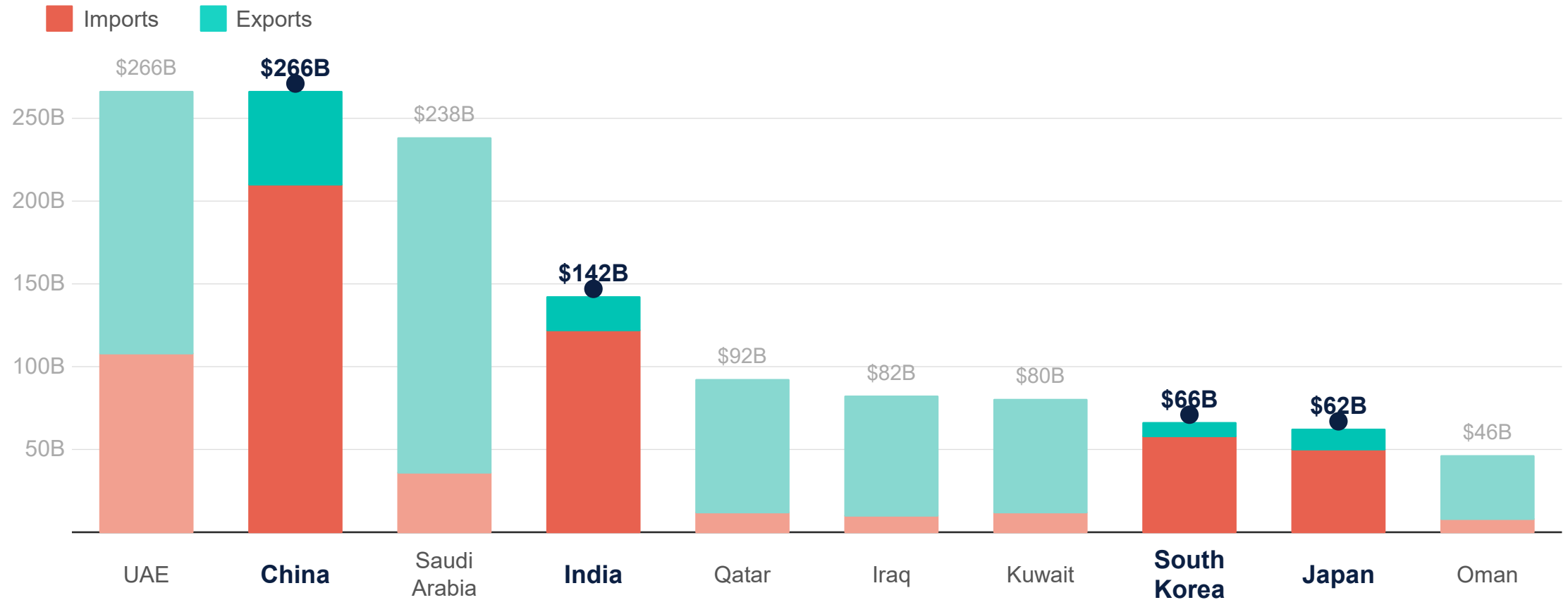
EV hub of Southeast Asia



Managing Risk

the risk is real - and it is one these economies have navigated before

Annual trade value passing through the Strait of Hormuz (USD billions)



ASIA EXPOSURE IS REAL. China, India, South Korea and Japan combined: over \$530bn of annual trade through a single chokepoint.

These same economies grew through every Gulf conflict since 1990.

risks

navigating live risks

Live risks



Middle East conflict

IMF revised EM growth from 4.2% → 3.9% directly because of it



Energy price volatility

Commodity-importing nations (India, SE Asia) face input cost pressure



USD safe-haven demand

During conflict spikes, USD strength can temporarily reverse EM tailwind



US-China tariff uncertainty

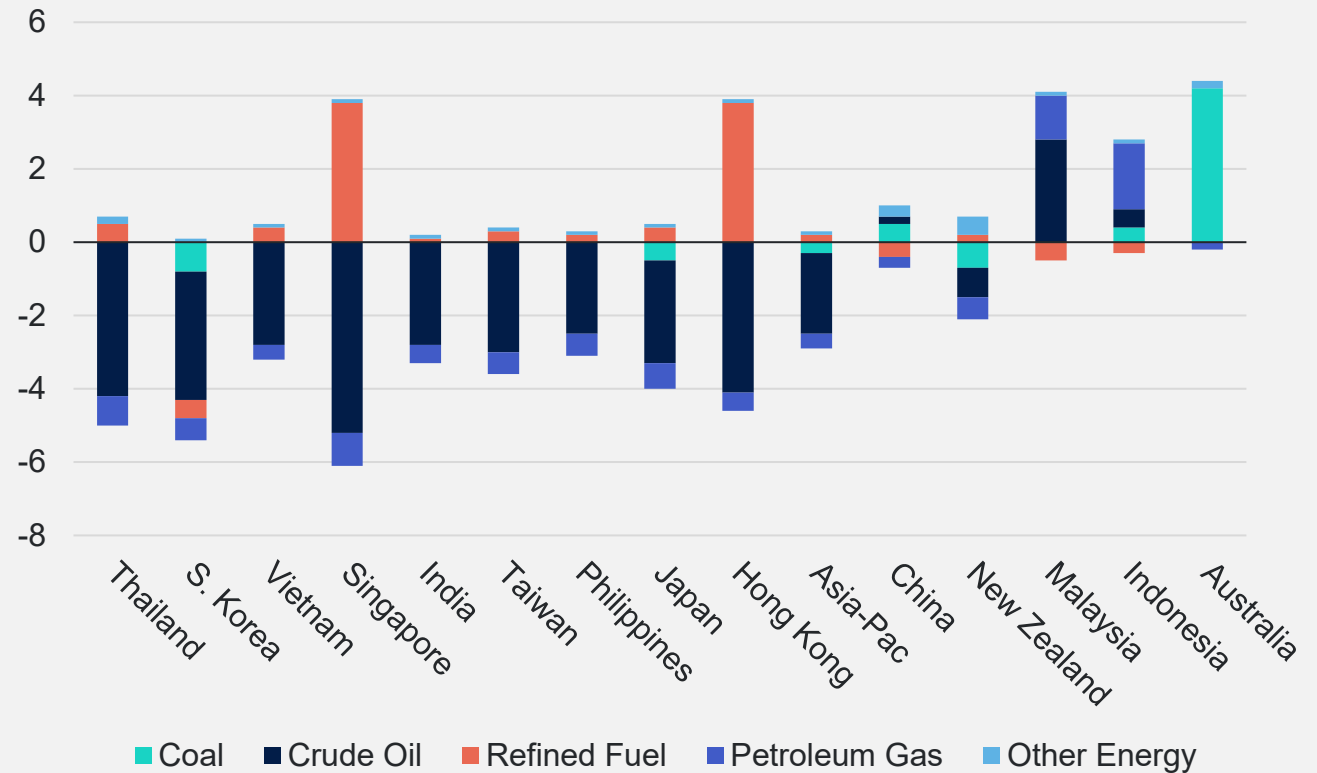
Residual uncertainty persists despite Supreme Court partial reversal



Indonesia MSCI review

Flagged by Hargreaves Lansdown for potential MSCI downgrade review

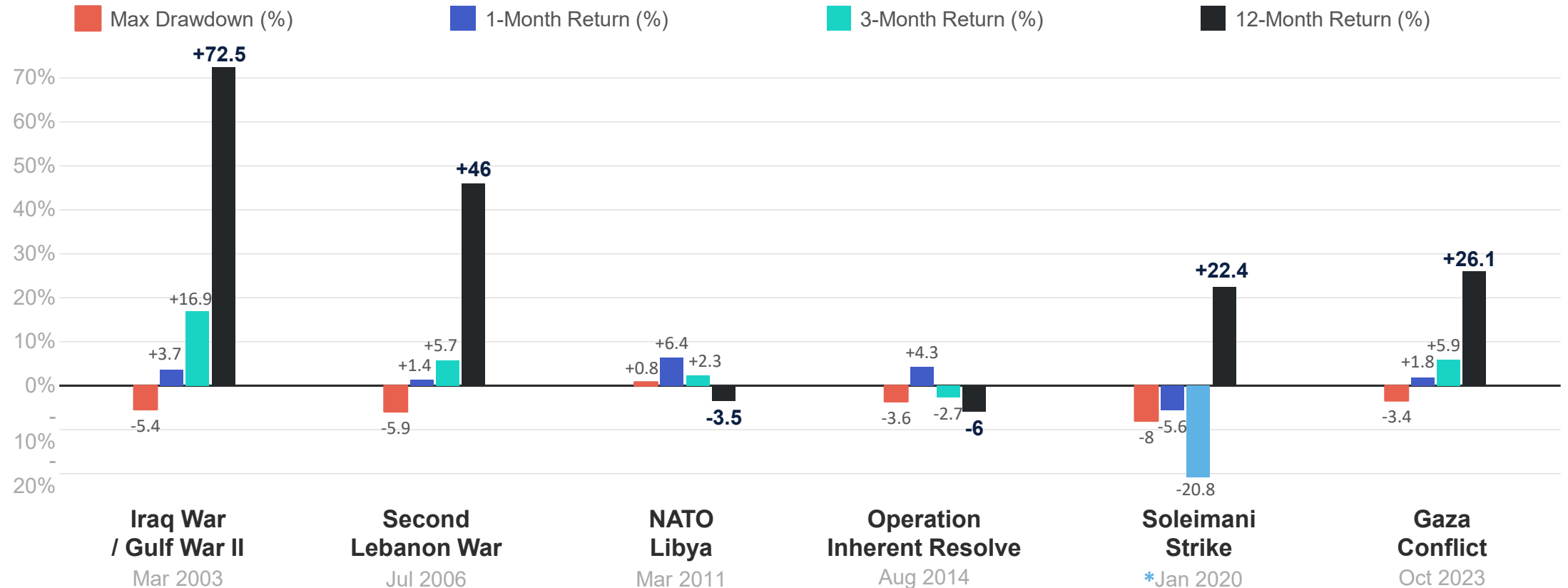
Most Asia-Pacific economies rely on imported crude oil.
Net energy balance in 2025 (% of GDP)



Source: S&P Global Market Intelligence and S&P Global Ratings

EM Asia markets often recovered within the year or sooner

MSCI Emerging Markets Asia Index (NDUEEGFA) - Return (%) from event date



IN 4 OF 6 EVENTS, THE INDEX RECOVERED WITHIN 3 MONTHS. In 5 of 6 events, the 12-month return was positive - averaging +28.0% across those five.

Source: Invest, Bloomberg

*Soleimani 3-month return (-20.8%) reflects the COVID-19 market crash (March 2020), not the geopolitical event.

† Libya 12-month and ‡ ISIS 12-month negative returns driven by USD strength and China growth slowdown, not the conflicts.

managing risk

Why the structural case holds regardless

- **EM at 3.9%** still grows faster than the 3.1% global average post-conflict revision.
- **India, Taiwan, Korea:** structural stories unchanged. TSMC's strategic position intact.
- **Korea governance reform:** structural re-rating does not reverse because of Middle East war
- **Diversification argument:** strongest when macro is uncertain, not when it is benign
- **History:** EM allocations made during geopolitical uncertainty typically outperform over 3-5yr

Diversification does not require a perfect macro backdrop. It requires a sound structural case and a fair price. Both are present.



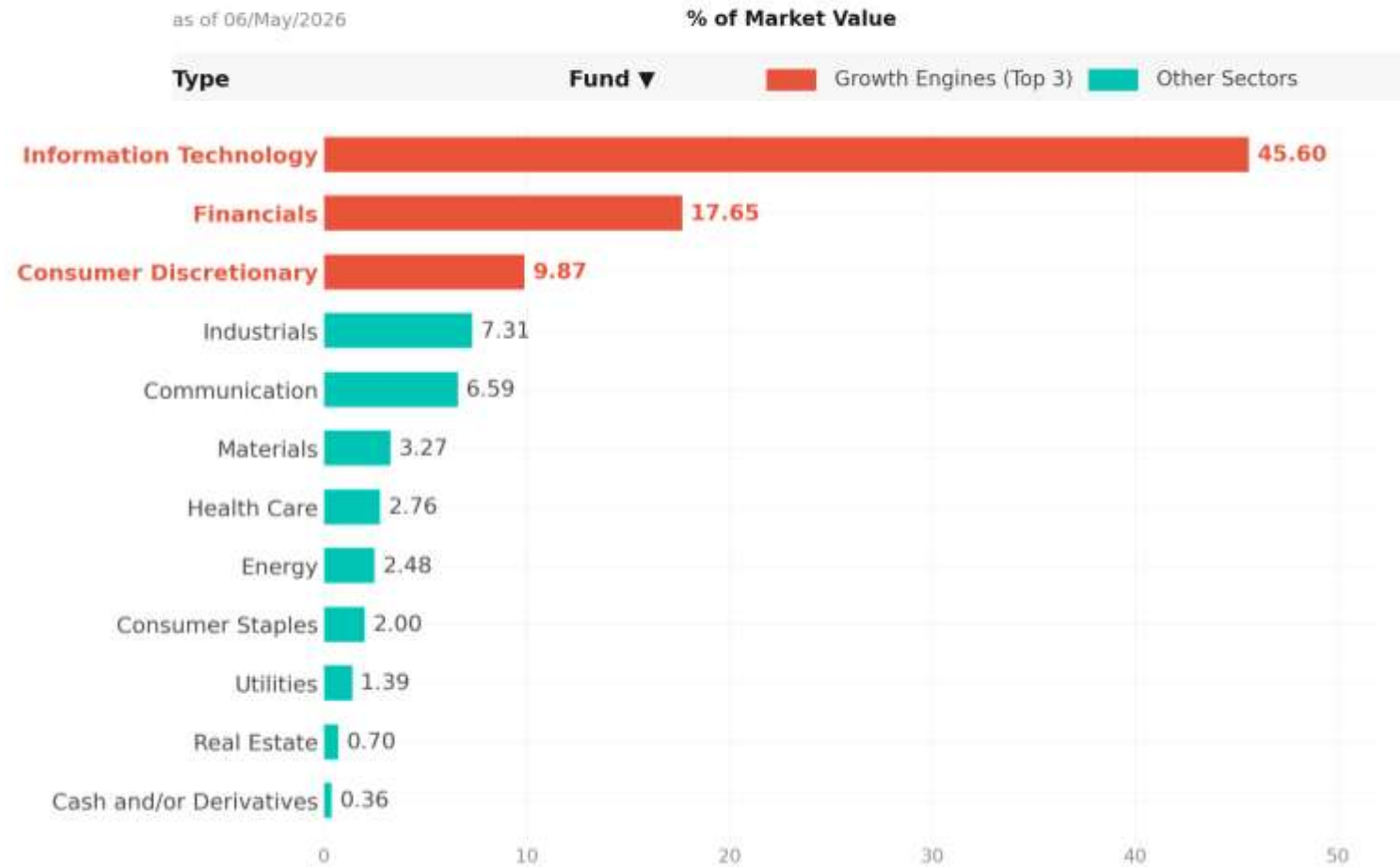


Three growth engines

sector allocation

built for the next decade of growth

Information Technology, Financials, and Consumers account for over 73%, each a direct beneficiary of Asia's AI boom, financial inclusion wave, and the world's fastest-growing consumer class.



Source: iShares, BlackRock, MSCI EM Asia Index Feeder ETF

01

GROWTH ENGINE

The new Asian consumer

The world's fastest-growing consumer class

2/3

Asia's projected share of the global middle class by 2030

6.5%

India's projected GDP growth in 2026 - fastest large economy

3.9%

EM GDP growth in 2026 vs 1.4% for advanced economies

Two-thirds of the global middle class will be Asian by 2030

Up from barely a third a decade ago. Rising incomes across India, Indonesia, Vietnam and the Philippines are translating directly into consumer spending on goods, services, and experiences.

Asia's consumer brands are disrupting global markets

BYD in EVs, Huawei and Xiaomi in electronics, and a new wave of Southeast Asian e-commerce platforms. As Macquarie notes: 'Asia is very good at disrupting innovation and driving its next wave.'

The SA advisor angle: this is the diversification your clients need

A typical SA portfolio is overweight domestic equity and US large caps. Neither gives exposure to the world's most dynamic consumer story. EM Asia does at a forward P/E of ~14x vs ~22x for the S&P 500.

02

GROWTH ENGINE

Export reinvention

Asia didn't break under tariffs - it adapted

6.6%

China export growth
in 2025 despite a 20%
fall in US shipments

40%

AI-related trade
growth in 2025 vs
6.5% global average

C+1

China Plus One: ASEAN
absorbing manufacturing
shift from China

The tariff narrative is the wrong frame

China's total exports grew 6.6% in 2025 despite a 20% fall in US-bound shipments, by redirecting trade to Europe, ASEAN and Africa. The export machine rerouted; it didn't stop.

ASEAN is the structural winner of supply chain shift

Semiconductors in Malaysia, electronics in Vietnam, auto components in Thailand, manufacturing hubs in Indonesia. The China+1 strategy flows directly into the index's 8-country exposure.

India is entering the export game for the first time

Historically domestic-consumption driven, India is now scaling electronics, mobile phones and EV components backed by a new EU trade deal signed in early 2026.

03

GROWTH ENGINE

AI & digital revolution

45.60% Fund Allocation

Sector: Information Technology

Powering the world's AI infrastructure

70%

TSMC's share of global foundry revenue in 2025

29%

EM earnings growth forecast for 2026 vs 14% for the US

60%

Asia's share of global growth in 2025 & 2026

Asia is the AI supply chain

TSMC (Taiwan) fabricates every advanced AI chip. SK Hynix (Korea) supplies 90% of Nvidia's high-bandwidth memory. No AI boom without Asia.

Governments are onshoring digital infrastructure

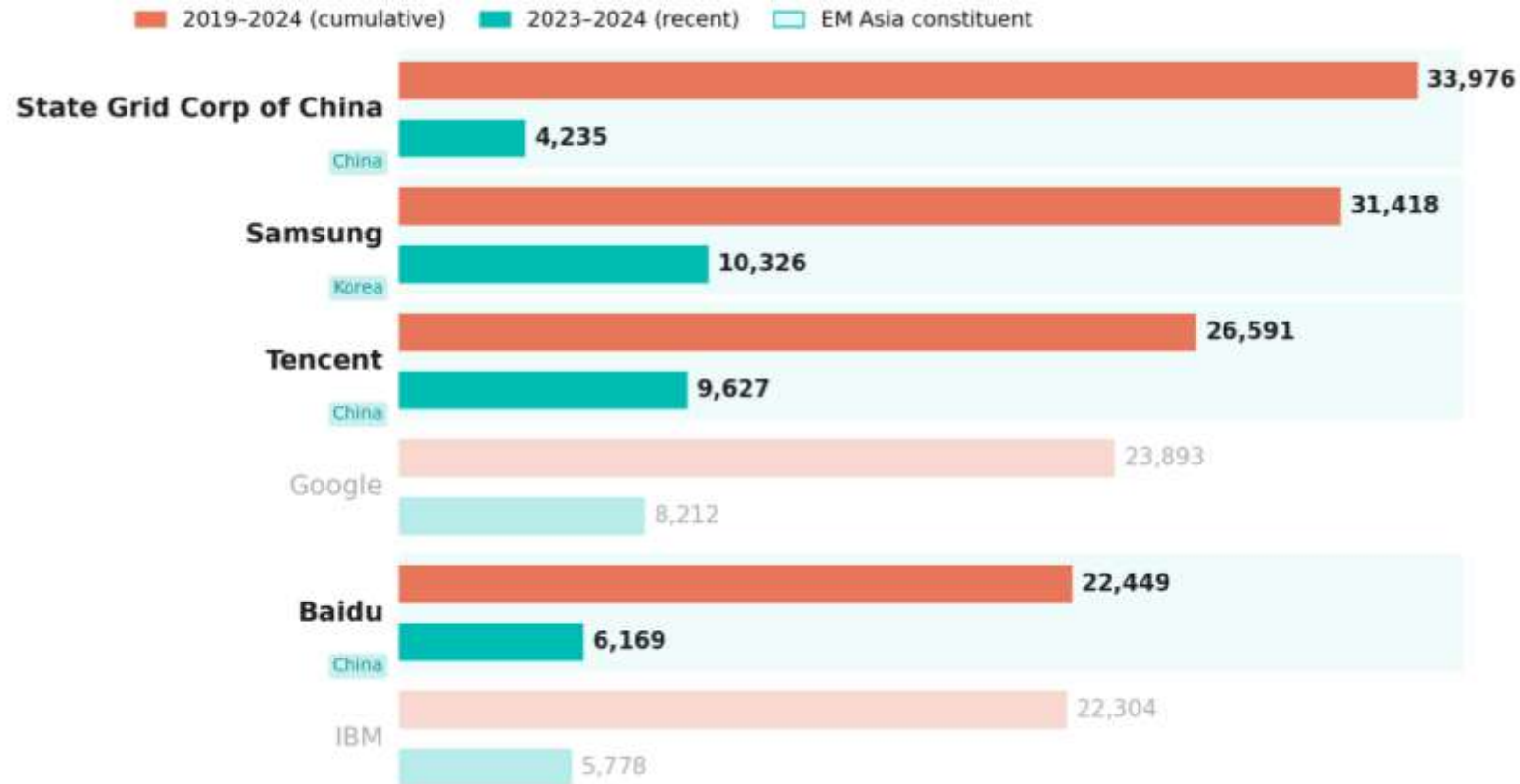
From Malaysia's \$10bn grid upgrade to sovereign cloud frameworks across South Korea, Japan and Taiwan - AI is driving unprecedented tech capex across the region.

The S&P 500 gives you AI exposure - not the factory

Owning Nvidia or Microsoft gives your clients the software upside. EM Asia gives them the foundry, the memory, and the server assembly, the irreplaceable hardware layer.

AI patent innovation shaping the future

Global AI patent landscape – the AI race

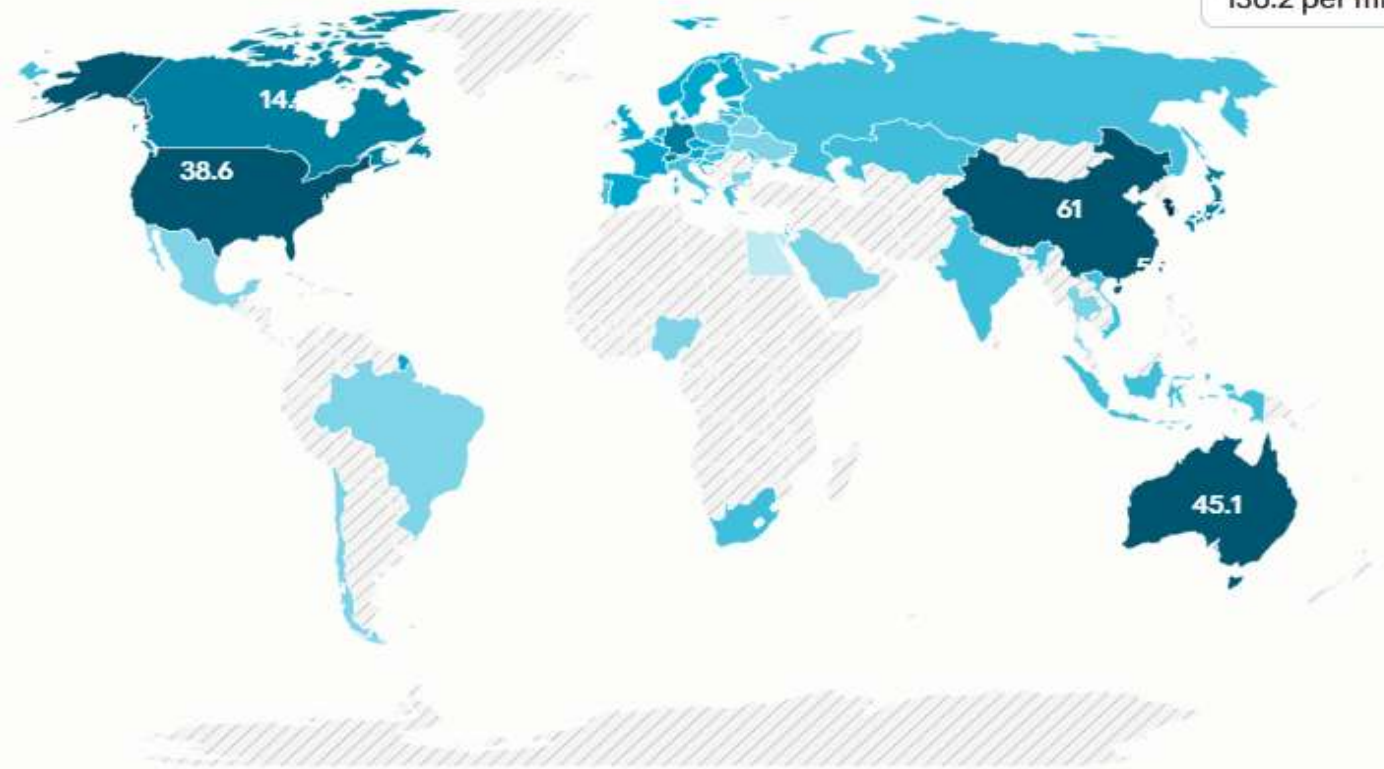


EM Asia's prioritisation of **corporate innovation strategies** and competitive positioning in the global AI race

the AI patent leader you weren't expecting

Annual patent applications related to AI per million people, 2021

→ **Raw economic size tells only part of the AI story.** On a per-capita basis, South Korea's 130.2 AI patent applications per million people places it well ahead of China (61), Australia (45.1), and the US (38.6) - a reminder that some of the world's most concentrated AI activity is happening in EM Asia.



No data 0 0.1 0.3 1 3 10 30 100

Source: Our World in Data / WIPO · Adapted by Invest

technology - Asia doesn't just use the revolution, it manufactures it

~30%

MSCI EM tech weighting

On par with the S&P 500 but at a fraction of the valuation.

1/3

Of all global trade growth 2025

Semiconductors & data centre equipment. Asian hubs dominant.

~40%

AI-related trade growth 2025

vs 6.5% global average - McKinsey Global Institute.

71%

TSMC foundry market share

Nearest competitor at 6.8%. No alternative at scale exists.

The supply chain reality

- Every AI processor (GPU/TPU) is fabricated by TSMC in Taiwan - no exceptions at leading edge.
- SK Hynix supplies ~90% of HBM for Nvidia's latest AI GPUs and 100% of Google's current TPU memory.
- Samsung HBM shipments projected to triple in 2026 as HBM4 enters commercial supply.
- AI servers are assembled predominantly by Asian companies - the physical stack is Asian top to bottom

The investment implication

- US technology companies design the products - Asia manufactures the hardware they run on
- Both positions matter - but Asia's is priced at a structural discount to its strategic role
- EM tech weighting of ~30% gives comparable AI-era exposure as S&P 500 tech at ~13-14x forward P/E
- This is not AI speculation - it is the existing, operating global supply chain



**EM Asia
Exposure**

1invest MSCI EM Asia Index STANLIB Feeder ETF

Fund Structure



JSE Ticker	ETFEMA	Currency	ZAR-denominated (rand-priced)
Full Name	1invest MSCI EM Asia Index STANLIB Feeder ETF	Return Type	Distributions reinvested
Underlying Index	MSCI Emerging Markets Asia (net total return)	Retail Fee(TIC)	0.41%
Underlying Fund	iShares MSCI EM Asia UCITS ETF (CEMA LN)	Top Holdings	TSMC, Tencent, Samsung, Alibaba, SK Hynix, HDFC Bank
Investment Universe	Large and mid-cap representation across Emerging Market (EM) Asia countries. The fund may also hold a small portion in cash instruments to effect efficient portfolio management.		



thank you

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Portfolio performance figures are calculated for the relevant class of the portfolio, for a lump sum investment, on a NAV-NAV basis, with income reinvested on the ex-dividend date. Individual investor performance may differ due to initial fees, actual investment date, date of reinvestment of income and dividend withholding tax. Any forecasts or commentary included in this document are not guaranteed to occur. Annualised return figures are the compound annualised growth rate (CAGR) calculated from the cumulative return for the period being measured. These annualised returns provide an indication of the annual return achieved over the period had an investment been held for the entire period.

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