5 reasons to buy
Emerging Markets (EMs)

What going green means for Emerging Markets.

1. EMs will benefit from the green transition theme

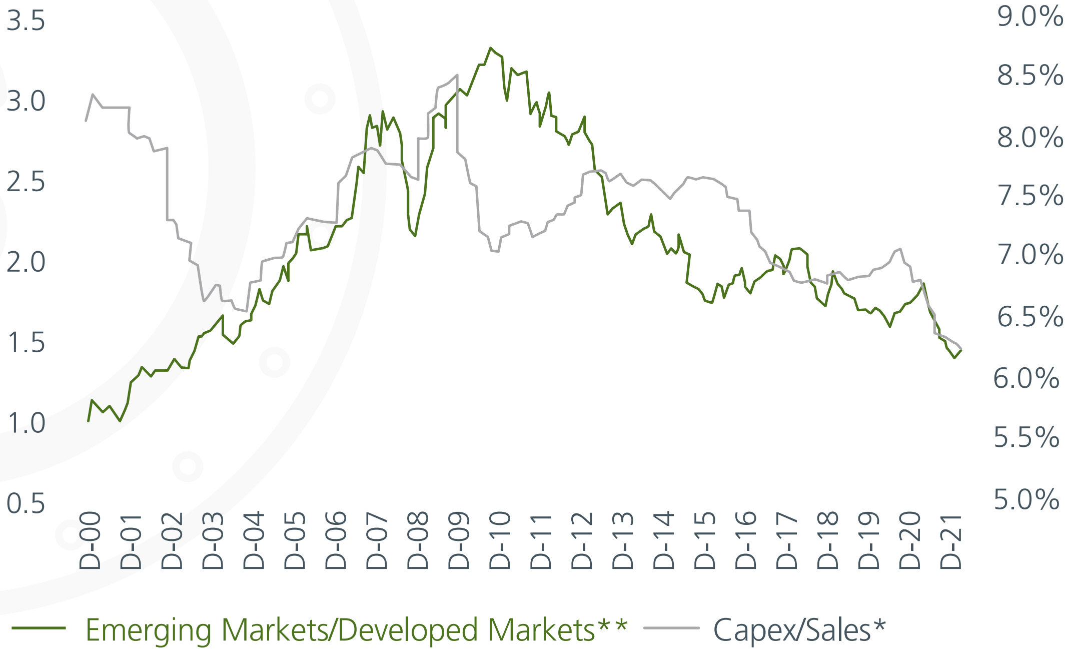
EMs dominate in old and new commodities needed for green infrastructure

Share of global production[1]

Cu Copper	Ni Nickel	Li Lithium
Chile, Peru, China	Indonesia, Philippines, Russia	Australia, Chile, China
~48%	~55%	~92%

2. EMs' role as global manufacturing bases will be in demand

As spending on hard assets goes up, EMs tend to fare better



*Global capex/sales data sourced from Goldman Sachs (Data stream), (RHS).
**MSCI EM and MSCI World index from Bloomberg, September 2022.

3. Green capital expenditure set to rise

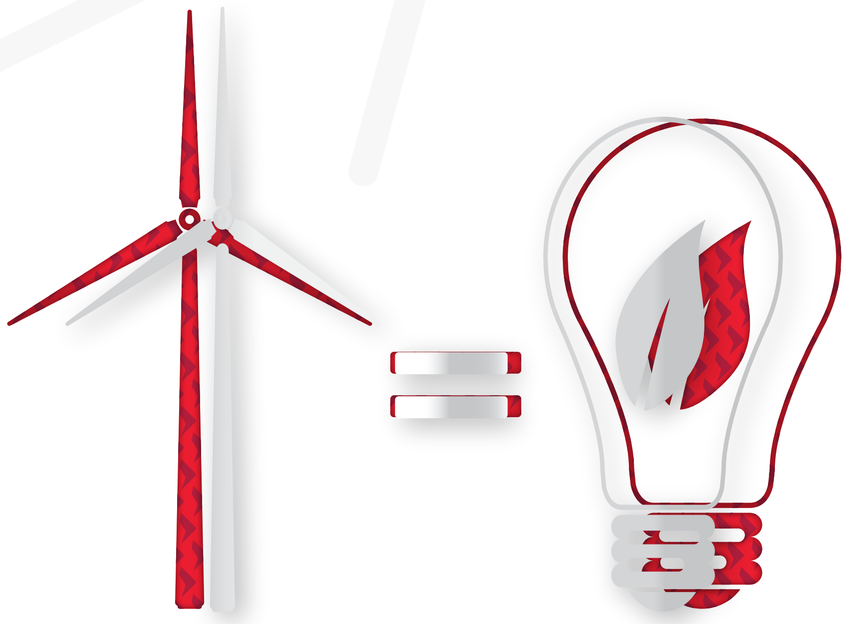
Total energy capex will rise from around **2.5%** of global GDP currently to **4.5%** by 2030

Global annual clean energy investment estimates (USD billion)[2]

2021
1,000

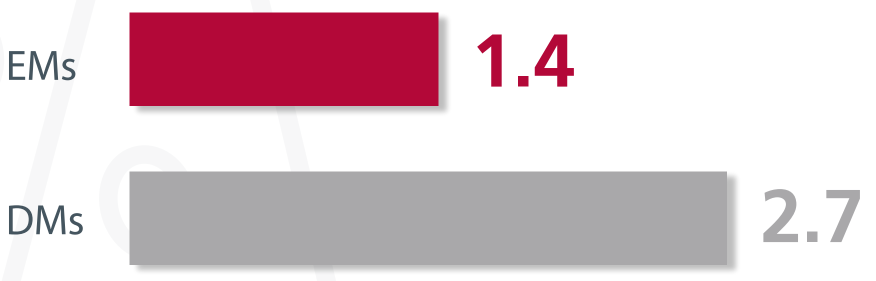
2030
2,000

2050
4,000
needed to achieve net-zero

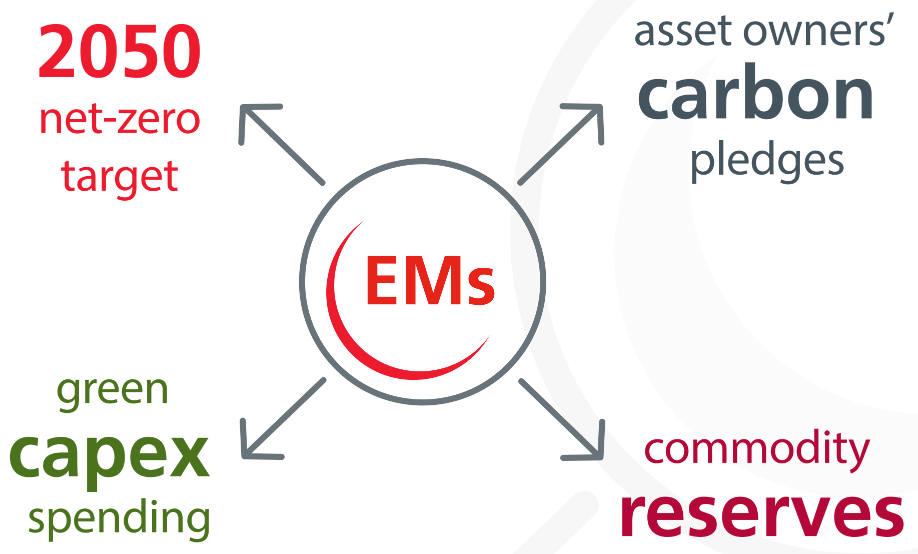


4. EMs are very cheap relative to Developed Markets (DMs)

On a price-to-book basis, EMs offer very good value[3]



5. A confluence of factors is in EMs' favour



EMs

2050 net-zero target

asset owners' **carbon** pledges

green **capex** spending

commodity **reserves**

Read more

To learn more about the green value in Emerging Markets, read our article here.

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[1] Global capex/sales data sourced from Goldman Sachs (Data stream). [2] MSCI EM and MSCI World index from Bloomberg. [3] International Energy Association.
[4] MSCI EM and MSCI AC World indices for price to book ratio on trailing basis, October 2022.