

## **GW&K INVESTMENT FUNDS PLC**

*(An investment company with variable capital constituted as an umbrella Fund with segregated liability between Funds in Ireland with registered number 437987 and authorised by the Central Bank of Ireland as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) and under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investments in Transferable Securities) Regulations 2019)*

### **ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial period from 1 January 2023 to 7 November 2023**

**And for the financial period from 8 November 2023 to 31 January 2024  
(on a liquidation basis)**

# GW&K INVESTMENT FUNDS PLC

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# GW&K INVESTMENT FUNDS PLC

## Organisation

### Board of Directors

T. Williams Roberts III\*\* (United States) –  
Chairman  
Wyndham Williams\* (Ireland)  
Elizabeth Beazley\*\* (Ireland)  
Thomas F.X. Powers\*\* (United States)

\* Independent Non-Executive Director

\*\* Non-Executive Director

### Auditors

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Ormonde Business Park  
Dublin Road  
Kilkenny  
Ireland

### Administrator and Registrar

Northern Trust International Fund  
Administration Services (Ireland) Limited  
George's Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### Company Secretary

Carne Global Financial Services Limited  
3rd Floor  
55 Charlemont Place  
Dublin 2  
D02 F985  
Ireland

### Registered Office

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Manager

Carne Global Fund Managers (Ireland)  
Limited  
3rd Floor  
55 Charlemont Place  
Dublin 2  
D02 F985  
Ireland

### Investment Manager

GW&K Investment Management, LLC  
222 Berkeley Street  
Boston, MA 02116  
United States

### Depository

Northern Trust Fiduciary Services  
(Ireland) Limited  
George's Court  
54-62 Townsend Street  
Dublin 2  
Ireland

### Legal Advisers (as to matters of Irish law)

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

# GW&K INVESTMENT FUNDS PLC

## Background to the Company

GW&K Investment Funds Plc (the “Company”) was an investment company with variable capital incorporated in Ireland on 16 April 2007 under registration number 437987. The Company was authorised and regulated by the Central Bank of Ireland (the “Central Bank”) as an “Undertaking for Collective Investment in Transferable Securities” (“UCITS”) under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the “UCITS Regulations”) and under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investments in Transferable Securities) Regulations 2019 (the “Central Bank UCITS Regulations”). As the Company was established as an umbrella fund, different Funds (each a “Fund”) comprising one or more Classes of Shares could have been created from time to time by the Directors with the prior approval of the Central Bank.

The Company was structured as an umbrella fund, with segregated liability between Funds, in that the Directors could have from time to time, with the prior approval of the Central Bank, issued different Series of Shares representing separate portfolios of assets. The assets of the Fund were invested in accordance with the investment objective and policies applicable to such Fund as disclosed in the relevant prospectus supplement. The Fund was treated as bearing its own liabilities. As the Company availed of the provisions of the Companies Act 2014 (the “Companies Act 2014”), it was intended that the Company would not be liable as a whole to third parties for the liabilities for the Fund.

The Shares of each Class of a Fund ranked pari passu with each other in all respects provided that they could differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged, or the minimum subscription and minimum holding, if any, applicable. The assets of the Fund were separate from one another and invested separately in accordance with the investment objective and policies of the Fund. A separate portfolio of assets was not maintained for each Class. The investment objective and policies and other details in relation to the Fund are set out in the relevant prospectus supplement.

The Company consisted of one active Fund during the period. Additional Funds could have been added by the Directors with the prior approval of the Central Bank. The terms and conditions of the Fund’s initial offer/placing of Shares and details of any applicable fees and expenses were set out in the relevant prospectus supplement. Additional Classes could have been added by the Directors with prior notification to and clearance by the Central Bank. Other Classes could have been established within a Fund which may be subject to higher/lower/no fees where applicable.

During the financial period the Company's active Fund comprised of the following share classes:

Name of Fund	Classes	Class Currencies
GW&K Emerging Markets Equity Fund	Class A***	Euro (€)
	Class C*	US Dollar (\$)
	Class D**	Sterling (£)
	Class F****	Danish Krone (Kr.)

\*\*\*\*Class F terminated on 31 July 2023.

\*\*\*Class A terminated on 25 October 2023.

\*\*Class D terminated on 2 January 2024.

\*Class C terminated on 3 January 2024.

## **GW&K INVESTMENT FUNDS PLC**

### **Background to the Company (Continued)**

#### **Investment Objectives**

The Company was established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The Company was established as an umbrella Fund with segregated liability between Funds.

## Investment Manager's Report

### Investment Environment / Market Outlook

Emerging market (EM) equities concluded 2023 strongly, albeit trailing behind developed market (DM) equities. The MSCI Emerging Markets Index registered a moderate 9.8% gain (in US dollar terms) for the year, bolstered by a 7.9% surge in the fourth quarter. In contrast, the MSCI World Index, representing developed market equities, achieved an impressive 23.8% annual gain, fueled by an 11.4% rise in the fourth quarter. China's underwhelming performance significantly impacted EM's overall results, with the MSCI China Index declining by 11.2% annually and 4.2% in the fourth quarter. Conversely, the MSCI EM excluding China Index showcased a robust 20.0% annual gain, outperforming developed markets with a 13.0% increase in the fourth quarter.

Both EM and DM equities gained considerable support in the fourth quarter due to declining inflation across numerous countries, further aided by a 19% drop in Brent crude oil prices. This trend was marked by reduced headline and core inflation rates. For instance, the U.S. core PCE inflation, closely monitored by the Fed, posted a six-month annualised increase of just 1.9% through November, aligning with the Fed's 2% target. Similarly, inflation rates in the Euro Area and the UK remained benign in recent months, setting the stage for anticipated broad-based monetary easing in 2024. Consequently, market expectations included at least six quarter-point rate cuts in 2024 by the Fed, the European Central Bank, and the Bank of England.

The final quarter of 2023 saw MSCI EM currencies gaining 2.3% against the US dollar, ending the year nearly unchanged from its starting point. Anticipations of a dovish shift by major central banks fostered this performance. This trend is likely to continue, permitting widespread monetary easing across key EM central banks in 2024. Support for this easing is further reinforced by benign EM inflation trends. Notably, Bloomberg's index for aggregate EM Consumer Price Index (CPI) inflation decreased from a peak of 6.9% in 2022 to just 3.0% by the third quarter of 2023.

China's equity market experienced a significant decline in 2023, marking a major disappointment for EM investors. This downturn was driven by geopolitical concerns, regulatory uncertainties, and a lackluster reopening recovery, exacerbated by an ongoing slump in the property market. Initially, the MSCI China Index surged by 17% in late January, fueled by optimism over China's shift from Covid suppression policies. However, escalating US-China tensions and concerns over China's stance on Russia's actions against Ukraine dampened investor sentiment. Additionally, China's economic recovery proved fleeting, with the official manufacturing Purchasing Managers' Index (PMI) falling below the 50% threshold for most of 2023, and inflation data turning negative, reflecting weak nominal GDP growth.

Regional performance within emerging markets in 2023 was notably varied. The Latin America region excelled, achieving a remarkable 32.7% gain, driven by strong performances in Argentina, Brazil, Mexico, and Peru, all exceeding 30%. In contrast, the EM Asia region experienced modest growth of 7.8%, with China and Thailand's double-digit declines balanced by over 20% gains in India, South Korea, and Taiwan. The Europe, Middle East, and Africa (EMEA) region posted an 8.2% gain. Notable results included over 40% gains in Egypt, Greece, Hungary, and Poland, which offset weaker performances in Qatar, South Africa, the UAE, and a 5.7% decline in Turkey.

In terms of sector performance, diversity was also notable. Information Technology, Energy, and Financials delivered double-digit returns, while Communications Services, Consumer Discretionary, Health Care, and Real Estate sectors recorded modest losses between 1% and 7%. The Information Technology sector stood out with a 32.4% gain, reflecting global enthusiasm for semiconductor demand spurred by advances in Artificial Intelligence (AI). On the other end, the Real Estate sector experienced a 7.3% decline, primarily due to ongoing issues in China's property market.

# **GW&K INVESTMENT FUNDS PLC**

## **Investment Manager's Report (Continued)**

### **Investment Environment / Market Outlook (Continued)**

Despite the recent underperformance of emerging markets compared to developed markets, the outlook for EM appears promising. At the end of 2023, both the MSCI Emerging Markets and MSCI China Indexes were significantly off their recent peak levels, at 24% and 55% respectively, while the S&P 500 Index was only marginally below its peak. This disparity presents a potential recovery opportunity for EM.

There is widespread anticipation of interest rate cuts, which are expected to bolster equity valuations. Analysts forecast strong earnings per share (EPS) growth in EM, with projections of 17% in 2024 and 15% in 2025. In comparison, the S&P 500 Index is expected to see lower EPS growth rates of 10% and 11% for the same periods. Consequently, the MSCI Emerging Markets, MSCI China, and S&P 500 Indexes are trading at 11.6, 8.7, and 19.6 times estimated forward earnings, respectively. While business-cycle and geopolitical risks, particularly concerning China, cannot be overlooked, the combination of attractive valuations and solid earnings growth prospects supports a cautiously optimistic outlook for EM equities.

The GW&K Emerging Markets Equity Fund closed on 3 January 2024. In preparation for closing, the Fund began liquidating the underlying assets in mid-December 2023.

### **2023 Performance**

During the period in 2023 the Fund was actively invested versus the MSCI Emerging Markets Index, strong stock selection in the Information Technology, Consumer Staples, and Health Care sectors added the most relative value. The overweight allocations to the Information Technology and Financials sectors and the underweight allocations to the Materials, Real Estate, Health Care, and Utilities sectors also added relative value. Partially offsetting these positives was the relative underperformance of holdings in the Consumer Discretionary, Communication Services, and Energy sectors. The overweight allocation to the Consumer Discretionary sector also detracted from relative performance. Geographically, Latin America outperformed the Index while Asia and the EMEA region underperformed during the period. Fund holdings in Mexico, South Korea, Argentina, the Philippines, and Thailand added the most relative value while holdings in China, Poland, and Taiwan detracted from relative performance. At the stock level, the top contributors for the period included Taiwan Semiconductor, Samsung Electronics, SK Hynix, MakeMyTrip Limited, and Fomento Economico Mexicano.

# GW&K INVESTMENT FUNDS PLC

## Investment Manager's Report (Continued)

### 2023 Performance (Continued)

The following table details the performance of the Fund and of its Benchmark index for the financial year ended 31 December 2023:

GW&K Emerging Markets Equity Fund	Currency	Fund return for the period ended 31 December 2023 <sup>±</sup> (%)	Benchmark <sup>^</sup> return for the period ended 31 December 2023 <sup>±</sup> (%)
Class A <sup>***</sup>	EUR	0.09%	-1.19%
Class C <sup>*</sup>	USD	1.82%	9.83%
Class D <sup>*</sup>	GBP	-3.11%	3.63%
Class F <sup>**</sup>	DKK	10.81%	8.08%

<sup>^</sup>Benchmark - MSCI Emerging Markets Index Net Dividends.

<sup>\*</sup> Return covers the year 1 January 2023 to 31 December 2023 as share class D and share class C terminated on 2 January 2024 and 3 January 2024 respectively.

<sup>\*\*</sup> Return covers the period 1 January 2023 to 31 July 2023 when Class F terminated.

<sup>\*\*\*</sup> Return covers the period 1 January 2023 to 25 October 2023 when Class A terminated.

*Fund performance is shown net of fees and expenses (TER). The Fund return figures are the aggregated net monthly returns and are based on the average published pricing NAV for the financial year. Due to accounting policy requirements under US accounting standards which apply to the financial statements, there may be slight differences between the NAV per share as recorded in the financial statements and the published NAV per share. The returns are net of management fees. Past performance may not necessarily be repeated and future performance may vary.*

### Portfolio Positioning

With respect to the Fund's structure, trading activity and market movement during the period resulted in increased exposure to the Information Technology, Consumer Staples, Financials, and Energy sectors and decreased exposure to the Consumer Discretionary, Health Care, and Industrials sectors.

### GW&K Investment Management, LLC February 2024

#### Disclosures:

This represents the views and opinions of GW&K Investment Management. It does not constitute investment advice or an offer or solicitation to purchase or sell any security and is subject to change at any time due to changes in market or economic conditions. The comments should not be construed as a recommendation of individual holdings or market sectors, but as an illustration of broader themes.

Investing in securities or investment strategies, including the markets and/or any GW&K's Investment Strategies presented in this document, involves risk of loss that clients should be prepared to bear. No investment process is free of risk; no strategy or risk management technique can guarantee returns or eliminate risk in any market environment. There is no guarantee that GW&K's investment processes will be profitable, and you therefore may lose money. Past performance is no guarantee of future results. The value of investments, as well as any investment income, is not guaranteed and can fluctuate based on market conditions. Diversification does not assure a profit or protect against loss. GW&K's active management styles include equity and fixed income strategies that are subject to various risks, including those described in GW&K's Form ADV Part 2A, Item 8. GW&K's Form ADV Part 2A may be found at <https://adviserinfo.sec.gov/Firm/121942> or is available from GW&K upon request.

Indexes are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly in an index. Index data has been obtained from third-party data providers that GW&K believes to be reliable, but GW&K does not guarantee its accuracy, completeness or timeliness. Third-party data providers make no warranties or representations relating to the accuracy, completeness or timeliness of the data they provide and are not liable for any damages relating to this data. The third-party data may not be further redistributed or used without the relevant third-party's consent. Sources for index data include: Bloomberg ([www.bloomberg.com](http://www.bloomberg.com)), FactSet ([www.factset.com](http://www.factset.com)), ICE ([www.theice.com](http://www.theice.com)), FTSE Russell ([www.ftserussell.com](http://www.ftserussell.com)), MSCI ([www.msci.com](http://www.msci.com)) and Standard & Poor's ([www.standardandpoors.com](http://www.standardandpoors.com)).

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# **GW&K INVESTMENT FUNDS PLC**

## **Report of the Depositary to the Shareholders**

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to GW&K Investment Funds PLC (the “Company”) provide this report solely in favour of the shareholders of the Company for the financial period from 1 January 2023 to 7 November 2023 and for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis).

This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011) as amended, which implemented Directive 2009/65/ EU into Irish Law (the “UCITS Regulations”). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the UCITS Regulations, we have enquired into the conduct of the Company for the Financial Period and we hereby report thereon to the shareholders of the Company as follows:

We are of the opinion that the Company has been managed during the Financial Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional documents and by the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional document and of the UCITS Regulations.

**For and on behalf of:**  
**Northern Trust Fiduciary Services (Ireland) Limited**  
**Georges Court**  
**54-62 Townsend Street**  
**Dublin 2**  
**24 April 2024**

# GW&K INVESTMENT FUNDS PLC

## Directors' Report

The Directors present herewith their Annual Report and the Audited Financial Statements for the financial period from 1 January 2023 to 7 November 2023 and for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis).

### Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with accounting principles. The Directors have opted to prepare the financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") is the exclusive reference of authoritative US GAAP recognised by the FASB to be applied by non-governmental entities.

Irish company law requires the Directors to prepare financial statements for each financial period/year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question subject to any material departure from those standards being disclosed and explained in notes to the financial statements.

The financial statements have been prepared on a liquidation basis. A decision was taken by the Directors to liquidate the Company on 8 November 2023, the date on which the liquidation became imminent. The Company ceased trading on 31 January 2024. The trading that took place during the period from 8 November 2023 to 31 January 2024 was the sale of all the remaining investments.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. The Directors were responsible for keeping adequate accounting records which disclosed with reasonable accuracy at any time the financial position of the Company and which ensured that the financial statements were prepared in accordance with the accounting principles generally accepted in the United States of America and comply with the Companies Act 2014 and the UCITS Regulations. To this end, the Company appointed Northern Trust International Fund Administration Services (Ireland) Limited (the "Administrator") to provide it with fund accounting, administration and transfer agency services. The accounting records were held at George's Court, 54-62 Townsend Street, Dublin 2, Ireland.

The Directors were also responsible for safeguarding the assets of the Company. In this regard, they entrusted the assets of the Company to Northern Trust Fiduciary Services (Ireland) Limited (the "Depositary") who were appointed as Depositary to the Company pursuant to the terms of a Depositary Agreement. The Directors had a general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities.

The Directors were also responsible for the maintenance and integrity of the corporate and financial information of the Company included on the website of GW&K Investment Management, LLC ([www.gwkinvest.com](http://www.gwkinvest.com)). Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may have differed from legislation in other jurisdictions.

# **GW&K INVESTMENT FUNDS PLC**

## **Directors' Report (Continued)**

### **Audit Committee**

The Company elected not to put an audit committee in place for the following reasons:

- a) the nature, scale and complexity of the Company;
- b) the internal control and risk management systems relating to the financial reporting process in place at the Company and the Company's chosen service providers; and
- c) the resources available to the Company and the resources and expertise of the various third parties that were engaged to support the Company.

### **Directors' compliance statement**

It was the policy of the Company to comply with its relevant obligations (as defined in the Companies Act 2014). As required by Section 225(2) of the Companies Act 2014, the Directors acknowledge that they were responsible for securing the Company's compliance with the relevant obligations. The Directors drew up a compliance policy statement as defined in Section 225(3)(a) of the Companies Act 2014 and a compliance policy which refers to the arrangements and structures that were in place and which were, in the Director's opinion, designed to secure material compliance with the Company's relevant obligations. These arrangements and structures were reviewed during the financial period. In discharging their responsibilities under Section 225, the Directors relied upon, among other things, the services provided, advice and/or representations from third parties whom the Directors believed to have the requisite knowledge and experience in order to secure material compliance with the Company's relevant obligations.

### **Relevant audit information**

So far as the Directors were aware, there is no relevant audit information of which the Company's auditors were unaware and the Directors have taken all the steps that should have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

### **Principal Activities**

The Company is an umbrella Fund. The Company consisted of one active Fund during the period, namely, GW&K Emerging Markets Equity Fund of which four Classes of Shares were offered for investment. As detailed on page 2, none of these Shares Classes were active as at 31 January 2024 (31 December 2022: four Classes), with Class C terminating on 3 January 2024, Class D terminating on 2 January 2024, Class A terminating on 25 October 2023, and Class F terminating on 31 July 2023.

The Company's principal activity was the collective investment in transferable securities and other liquid financial assets of capital raised from the public.

The investment objective and policies and other details in relation to the Fund were set out in the relevant prospectus supplement.

# **GW&K INVESTMENT FUNDS PLC**

## **Directors' Report (Continued)**

### **Corporate Governance Statement**

On 12 November 2012, the Board adopted the voluntary Irish Funds (IF) Corporate Governance Code (the "Code") for Irish domiciled Collective Investment Schemes and Management Companies, issued 14 December 2011, with effect from 1 January 2013. The Code may be inspected on/obtained from [www.irishfunds.ie](http://www.irishfunds.ie). For the financial period from 1 January 2023 to 7 November 2023 and for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis), the Board has reviewed and assessed the measures included in the Code and considered its corporate governance practices and procedures since the adoption of the Code as consistent therewith. For the purpose of the Code Wyndham Williams was the non-executive independent director of the Company.

### **Review of investment performance of business**

A detailed review of the investment performance of business is included in the Investment Manager's Report for the Fund.

### **Risk management**

The principal risks and uncertainties faced by the Company and Fund were outlined in the prospectus and relevant supplement. These include market risk, currency risk, interest rate risk, market price risk, liquidity risk and credit risk. The Investment Manager reviewed and agreed policies for managing each of these risks and these are detailed in Note 9 to the financial statements.

### **Dividend**

The Directors did not propose the payment of a dividend in respect of the Shares of the Fund and accordingly, all income and realised capital gains derived from the Fund's assets were re-invested.

### **Results**

The financial statements have been prepared on a liquidation basis.

The results for the financial period in which the company was considered a going concern are set out in the Statement of Operations which covers the period 1 January 2023 to 7 November 2023.

### **Significant events during the financial period**

GW&K Emerging Markets Fund class F was fully redeemed on 31 July 2023.

GW&K Emerging Markets Fund class A was fully redeemed on 25 October 2023.

GW&K Emerging Markets Fund class D was fully redeemed on 2 January 2024.

GW&K Emerging Markets Fund class C was fully redeemed on 3 January 2024.

A decision was taken by the Directors to liquidate the Company on 8 November 2023, the date on which the liquidation became imminent. The Company ceased trading on 31 January 2024. The trading that took place during the period from 8 November 2023 to 31 January 2024 was the sale of all the remaining investments.

# **GW&K INVESTMENT FUNDS PLC**

## **Directors' Report (Continued)**

### **Significant events during the financial period (Continued)**

There were no other significant events during the financial period from 1 January 2023 to 7 November 2023 and for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis) which required adjustment to, or disclosure in these financial statements.

### **Subsequent events after the financial period end**

For full details on subsequent events after the financial period end please refer to Note 18 of the financial statements.

## **Directors**

The non-executive Directors of the Company, who served during the financial period ended 31 January 2024 were:

T. Williams Roberts III\*\* (United States) – Chairman  
Wyndham Williams\* (Ireland)  
Elizabeth Beazley\*\* (Ireland)  
Thomas F.X. Powers\*\* (United States)

\* Independent Non-Executive Director

\*\* Non-Executive Director

## **Directors' and Secretary's Interests**

The interests of the Directors in related parties are disclosed in Note 7 of the financial statements.

Carne Global Financial Services Limited, as Secretary of the Company, did not hold any interests in the Company during the financial period from 1 January 2023 to 7 November 2023 and for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis) (31 December 2022: none).

## **Transactions involving Directors and Secretary**

The Board of Directors were not aware of any contracts or arrangements of any significance in relation to the business of the Company in which the Directors or Secretary had any interest as defined in the Companies Act 2014 and the Central Bank UCITS Regulations at any time during the financial period from 1 January 2023 to 7 November 2023, and for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis) other than as disclosed in Note 7 of the financial statements.

## **Employees**

The Company had no employees.

## **Connected Party Transactions**

Regulation 43(1) of the UCITS Regulations “Restrictions on transactions with connected persons” states that “A responsible person shall ensure that any transaction between a UCITS and a connected person is conducted a) at arm’s length; and b) in the best interest of the shareholders of the UCITS”.

## **GW&K INVESTMENT FUNDS PLC**

### **Directors' Report (Continued)**

#### **Connected Party Transactions (Continued)**

As required under UCITS Regulation 81.4, the Directors of the Manager (the Responsible Person) are satisfied that arrangements were in place, evidenced by written procedures, that ensured that the obligations that are prescribed by Regulation 43(1) were applied to all transactions with connected person; and all transactions with a connected person that were entered into during the financial period to which the report relates complied with the obligations that are prescribed by Regulation 43(1).

#### **Auditors**

The independent auditors of the Company were PricewaterhouseCoopers.

ON BEHALF OF THE BOARD:

\_\_\_\_\_  
Elizabeth Beazley (Director)

\_\_\_\_\_  
Wyndham Williams (Director)

24 April 2024



## ***Independent auditors' report to the members of GW&K Investment Funds plc***

### ***Report on the audit of the financial statements***

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#### **Opinion**

In our opinion, GW&K Investment Funds plc's financial statements:

- give a true and fair view of the Company's assets, liabilities and financial position as at 31 January 2024 and of its results and cash flows for the period from 1 January 2023 to 31 January 2024 (the "period");
- have been properly prepared in accordance with accounting principles generally accepted in the United States of America; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- the Statement of Assets and Liabilities (on a liquidation basis) as at 31 January 2024;
  - the Statement of Operations for the period from 1 January 2023 to 7 November 2023;
  - the Statement of Changes in Net Assets for the period from 1 January 2023 to 7 November 2023;
  - the Statement of Changes in Net Assets (on a liquidation basis) for the period from 8 November 2023 to 31 January 2024; and
  - the notes to the financial statements, which include a description of the accounting policies.
- 

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the reasons why the financial statements have been prepared on a basis other than going concern.

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or



a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 31 January 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.





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## **Other required reporting**

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### **Companies Act 2014 opinions on other matters**

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.

The financial statements are in agreement with the accounting records.

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### **Companies Act 2014 exception reporting**

#### *Directors' remuneration and transactions*

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Olivia Hayden  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Kilkenny  
XX April 2024

# GW&K INVESTMENT FUNDS PLC

## Statement of Assets and Liabilities (on a liquidation basis)

As at 31 January 2024

		GW&K Emerging Markets Equity Fund 31 January 2024 USD	GW&K Emerging Markets Equity Fund 31 December 2022 USD
<b>Assets</b>	<b>Note</b>		
Investments in securities, at fair value (cost: USD 0; 2022: USD 244,930,184)	1,10	-	265,276,882
Cash and cash equivalents	6	530,606	2,120,779
Foreign currency cash (cost: USD 320,078; 2022: USD 434,306)	6	326,108	421,201
Dividends receivable		-	234,222
Receivable for investments sold		-	1,005,759
Other assets		-	94,072
<b>Total Assets</b>		<b>856,714</b>	<b>269,152,915</b>
<b>Liabilities</b>			
Reclaims payable		(501,665)	-
Capital gains tax payable	17	-	(1,073,749)
Depositary fees payable		(22,004)	(40,734)
Administration fees payable		(5,028)	(18,365)
Investment management fees payable	7	(15,668)	(183,286)
Audit fees payable		(41,599)	(32,136)
Legal fees payable		(101,265)	(63,979)
Management company fees payable	7	(367)	(3,735)
Expense reimbursement payable to Investment Manager		-	(144,045)
Other liabilities		(169,118)	(143,800)
<b>Total Liabilities</b>		<b>(856,714)</b>	<b>(1,703,829)</b>
<b>Net Assets</b>		<b>-</b>	<b>267,449,086</b>

ON BEHALF OF THE BOARD:

Elizabeth Beazley (Director)

Wyndham Williams (Director)

24 April 2024

The accompanying notes are an integral part of the financial statements.

# GW&K INVESTMENT FUNDS PLC

## Statement of Operations

For the financial period from 1 January 2023 to 7 November 2023

	Note	GW&K Emerging Markets Equity Fund 7 November 2023 USD	GW&K Emerging Markets Equity Fund 31 December 2022 USD
<b>Investment Income</b>			
Dividend income (net of withholding taxes of USD 217,471; 2022: USD 931,372)	1	3,617,992	5,976,343
Other income		106,227	45,271
<b>Total Investment Income</b>		<b>3,724,219</b>	<b>6,021,614</b>
<b>Expenses</b>			
Investment management fees	2,7	(1,888,694)	(3,539,086)
Capital gains tax expense		(335,249)	(1,073,749)
Depository fees	2	(135,531)	(113,094)
Administration fees	2	(64,707)	(108,263)
Legal fees		(44,404)	(67,624)
Auditor remuneration	2	(40,505)	(17,300)
Directors' fees	7	(41,844)	(43,382)
Management company fees	7	(41,547)	(54,665)
Other fees		(128,526)	(92,179)
<b>Total Expenses</b>		<b>(2,721,007)</b>	<b>(5,109,342)</b>
Expense reimbursements from Investment Manager	2,7	245,509	147,697
<b>Net Investment Income</b>		<b>1,248,721</b>	<b>1,059,969</b>
Net realised gains/(losses) on investments and foreign currency (net of capital gains tax of USD 58,737; 2022:USD 400,973)		22,212,860	(18,698,347)
Net change in unrealised depreciation on investments and foreign currency		(13,057,743)	(85,650,413)
<b>Net realised gains/(losses) and change in unrealised depreciation on investments and foreign currency</b>		<b>9,155,117</b>	<b>(104,348,760)</b>
<b>Net increase/(decrease) in net assets resulting from operations</b>		<b>10,403,838</b>	<b>(103,288,791)</b>

There were no gains or losses other than those dealt with in the Statement of Operations.

The accompanying notes are an integral part of the financial statements.

# GW&K INVESTMENT FUNDS PLC

## Statement of Changes in Net Assets

For the financial period from 1 January 2023 to 7 November 2023

	GW&K Emerging Markets Equity Fund 7 November 2023 USD	GW&K Emerging Markets Equity Fund 31 December 2022 USD
<b>Net assets - Beginning of financial period</b>	<b><u>267,449,086</u></b>	<b><u>524,610,804</u></b>
<b>Decrease in net assets from operations</b>		
Net investment income	1,248,721	1,059,969
Net realised gains/(losses) on investments and foreign currency	22,212,860	(18,698,347)
Net change in unrealised depreciation on investments and foreign currency	<u>(13,057,743)</u>	<u>(85,650,413)</u>
<b>Net decrease in net assets resulting from operations</b>	<b><u>10,403,838</u></b>	<b><u>(103,288,791)</u></b>
<b>Financing</b>		
Capital subscriptions	10,523,629	21,392,486
Capital redemptions	<u>(206,320,217)</u>	<u>(175,265,413)</u>
<b>Net decrease in net assets resulting from capital transactions</b>	<b><u>(195,796,588)</u></b>	<b><u>(153,872,927)</u></b>
<b>Net assets – End of financial period</b>	<b><u>82,056,336</u></b>	<b><u>267,449,086</u></b>

The accompanying notes are an integral part of the financial statements.

# GW&K INVESTMENT FUNDS PLC

## Statement of Changes in Net Assets (on a liquidation basis)

For the financial period from 8 November 2023 to 31 January 2024

	GW&K Emerging Markets Equity Fund 31 January 2024 USD	GW&K Emerging Markets Equity Fund 7 November 2023 USD
<b>Net assets - Beginning of financial period</b>	<b><u>82,056,336</u></b>	<b><u>267,449,086</u></b>
<b>Decrease in net assets from operations</b>		
Net investment income	131,433	1,248,721
Net realised gains on investments and foreign currency	7,539,394	22,212,860
Net change in unrealised depreciation on investments and foreign currency	<u>(7,277,586)</u>	<u>(13,057,743)</u>
<b>Net decrease in net assets resulting from operations</b>	<b><u>393,241</u></b>	<b><u>10,403,838</u></b>
<b>Financing</b>		
Capital subscriptions	655,838	10,523,629
Capital redemptions	<u>(83,105,415)</u>	<u>(206,320,217)</u>
<b>Net decrease in net assets resulting from capital transactions</b>	<b><u>(82,449,577)</u></b>	<b><u>(195,796,588)</u></b>
<b>Net assets – End of financial period</b>	<b><u><u>-</u></u></b>	<b><u><u>82,056,336</u></u></b>

The accompanying notes are an integral part of the financial statements

# **GW&K INVESTMENT FUNDS PLC**

**Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023**

**And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)**

## **1. SUMMARY OF ACCOUNTING POLICIES**

### **Basis of preparation**

The financial statements are expressed in US Dollar (“USD”) and prepared in accordance with Accounting Principles Generally Accepted in the United States of America (“US GAAP”), the provisions of the Companies Act 2014 and the UCITS Regulations. The format and certain wording of the financial statements have been adapted from those contained in the Companies Act 2014 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company’s business as an investment fund.

The Company has availed of the exemption available to investment funds under ASC 9464 not to prepare a Statement of Cash Flows.

### **Going concern basis of preparation**

The financial statements have been prepared on a liquidation basis. A decision was taken by the Directors to liquidate the Company on 8 November 2023, the date on which the liquidation became imminent. The Company ceased trading on 31 January 2024. The trading that took place during the period from 8 November 2023 to 31 January 2024 was the sale of all the remaining investments.

### **Use of Estimates**

The preparation of financial statements in conformity with US GAAP required management to make estimates and assumptions that affect the carrying value of assets, liabilities and transactions reported in the financial statements and accompanying notes. Management believe that the estimates utilised in preparing its financial statements are reasonable and prudent. The estimates and underlying assumptions were reviewed on an ongoing basis. Actual results could differ from these estimates.

### **Functional and presentation currency**

ASC 830 requires translation into the functional currency at the closing rate of exchange at the reporting date for assets and liabilities and at the transaction date for revenues, expenses, gains/loss on investments and currency and capital transactions. ACS 830 provides for the use of average rates of exchange or other methods of approximation where application might require a degree of detail in record keeping and computations that could be burdensome as well as unnecessary to produce reasonable approximations of the results provided.

### **Foreign currency transactions**

Assets and liabilities denominated in foreign currencies were translated to US Dollar at closing rates of exchange at the period end date with unrealised appreciation and depreciation reflected in the Statement of Operations. Purchases and sales of investments and capital subscriptions and redemptions, income and expenses were translated using a weighted average exchange rate in accordance with ASC 830.

# **GW&K INVESTMENT FUNDS PLC**

**Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023**

**And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)**

**(Continued)**

## **1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

### **Valuation of investments**

Investments in securities were carried at fair value. Under ASC 820, “Fair Value Measurements and Disclosures”, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining the value of the assets of the Fund, each investment which was quoted, listed or traded on or under the rules of any recognised market was valued at the last traded price as published by the relevant exchange or clearing house quoted on such exchange. Where prices were available on more than one exchange for a particular security, the last traded price on the exchange which constituted the main market for such security was applied, or the one which the Directors determined provided the fairest criteria in ascribing a value to such security. If prices for an investment quoted, listed or traded on the relevant recognised market were not available at the relevant time or were unrepresentative in the opinion of the Directors, such investment was valued at its probable realisation value estimated by the Directors in consultation with the Investment Manager or by a competent person, firm or corporation appointed by the Directors and approved by the Depositary.

In the case of any security not listed, quoted or dealt in on a regulated market or for which no quotation or value was available to provide a fair valuation, or in respect of which the price is unrepresentative, the fair value of such security was determined by a stockbroker, a competent person or company appointed by the Directors and approved for the purpose by the Depositary, using valuation techniques. The Company used a variety of methods and makes assumptions that were based on market conditions existing at each financial period end date.

Estimation methods and valuation models could have been used to calculate fair value of such investments. Due to the dynamic nature of assumptions used in estimating fair value and market volatility, the values reflected in the financial statements for these investments may have differed from the values that would be determined by negotiations held between parties in a near term sales transaction, and those differences could have been material.

### **Investment transactions**

Investment transactions were accounted for on a trade-date basis (date the order to buy or sell is executed).

Realised gains and losses on the sale of investments and unrealised appreciation and depreciation on investments held were determined using the average cost method and were recognised in the Statement of Operations.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with the banks.

### **Reclaims receivable**

Reclaims receivable relate to pending tax reclaims in the Korean Won market.

# GW&K INVESTMENT FUNDS PLC

Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023

And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)

(Continued)

## 1. SUMMARY OF ACCOUNTING POLICIES (Continued)

### Investment Income

#### (i) Dividend Income

Dividend income arising on the underlying equity investments of the Company was recognised as income of the Company on the ex-dividend date.

#### (ii) Interest Income

Deposit interest was recognised as income of the Company on an accruals basis in line with the contractual terms.

### Expenses

All expenses, including Investment Management fees, were recognised in the Statement of Operations on an accruals basis.

### Taxation

Dividend income from investments held by the Funds of the Company may have been subject to withholding taxes which were accounted for on the ex date of a dividend. Realised gains on the sale of investments may have been subject to capital gains taxes in jurisdictions other than the Company's country of domicile and were accounted for on an accruals basis. Taxes incurred by the Fund was recorded in the Statement of Operations.

### Redemption and Subscription fees

The Company or the Manager, may, with respect to an investor whose redemption/subscription represents ten percent (10%) or more of the Fund's Net Asset Value (determined immediately prior to effecting such transaction), have charged a fee of 0.3% of the Net Asset Value of Shares being redeemed/subscribed. The purpose of such a fee was to offset the cost of trading securities and thereby preserve the value of the assets of the Fund.

To counter frequent trading and market-timing an additional fee of 2.50% was charged on redemptions by a Shareholder occurring within 90 days from the date upon which such Shares were issued. This fee was paid into the Fund.

### Transaction costs

Transaction costs are defined as the incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of a financial instrument. When a financial asset or financial liability is recognised initially, it is measured by the entity at its fair value through profit or loss plus transaction costs that were directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs on purchases and sales of equities were included in net gain/(loss) on investments and foreign currency in the Statement of Operations for the Fund. Depository transaction costs were included in Depository fees in the Statement of Operations for the Fund.



## GW&K INVESTMENT FUNDS PLC

Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023

And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)

(Continued)

### 2. FEES

On 9 April 2021, the Company appointed Carne Global Fund Managers (Ireland) Limited, (the “Manager”) to act as manager to the Company and the Fund with power to delegate one or more of its functions subject to the overall supervision and control of the Company. The Manager was responsible for the general management and administration of the Company's affairs and for ensuring compliance with the UCITS Regulations, including investment and reinvestment of the Fund's assets, having regard to the investment objective and policies of the Fund. However, pursuant to the Administration Agreement, the Manager delegated certain of its administration and transfer agency functions in respect of the Fund to the Administrator. Pursuant to the Investment Management Agreement, the Manager delegated certain investment management functions in respect of the Fund to the Investment Manager.

The Manager was paid a fee out of the assets of the Fund, calculated and accrued on each Dealing Day and payable monthly in arrears, of an amount up to 0.05% of the Net Asset Value of the Fund (plus VAT, if any), subject to a monthly minimum fee up to €5,000 (plus VAT, if any). The Manager was also entitled to receive out of the assets of the Fund reasonable and properly vouched expenses.

The Investment Manager was entitled to receive an investment management fee, for each share class for the period where the relevant share class was active during the period, and such other fees as were specified in the Fund's prospectus supplement. The Investment Manager was also reimbursed for all reasonable out-of-pocket expenses and disbursements, and for any value added tax paid on any such disbursement, incurred with respect to the Fund.

The Investment Management Fee which accrued daily and was paid in arrears was as follows:

	<b>% of the Net Asset Monthly</b>	<b>Value of the Fund Annually</b>
<b>GW&amp;K Emerging Markets Equity Fund</b>		
Class A Shares***	0.083%	1%
Class C Shares*	0.083%	1%
Class D Shares**	0.067%	0.80%
Class F Shares****	0.071%	0.85%

\*\*\*\*Class F terminated on 31 July 2023.

\*\*\*Class A terminated on 25 October 2023.

\*\*Class D terminated on 2 January 2024.

\*Class C terminated on 3 January 2024.

The Investment Manager may have chosen to waive or reimburse part or all of its fees on an accruals basis, at its absolute discretion for an indefinite period, in order to reduce the impact such fees may have had on the performance of the Fund. Please refer to the Statement of Operations for Investment Manager fees and reimbursements accrued during the financial period, and to the Statement of Assets and Liabilities for Investment Manager fees payable and reimbursements receivable at the financial period end. The Investment Manager may have also entered into agreements with Fund Shareholders to reimburse portions of its fee and/or certain Fund expenses.

## **GW&K INVESTMENT FUNDS PLC**

**Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023**

**And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)**

**(Continued)**

### **2. FEES (Continued)**

The Administrator was entitled to receive an administration fee in respect of the Company payable out of the assets of the Fund accruing daily and paid monthly in arrears at an annual rate which would not exceed 0.03% of the Net Asset Value of the Fund, but subject to a minimum annual fee per Fund of US\$54,000. In addition to the administration fee, the Administrator was also entitled to receive an annual Transfer Agency fee of US\$4,000 per Fund per annum for up to three Share Classes, accruing daily and paid monthly in arrears (with an additional fee of US\$600 payable for the fourth Share Class and any subsequent Share Class). The Administrator was also entitled to be reimbursed out of the assets of the Fund for transfer agency fees which included, but were not limited to shareholder fees and transaction fees, and tax reporting services, including local tax reporting in various jurisdictions, and reasonable and vouched out-of-pocket expenses incurred by it in respect of the Fund. In addition, the Administrator was entitled to receive an annual fee of US\$4,000 per Fund for the preparation of annual and semi-annual financial statements, accruing daily and paid monthly in arrears.

The Depository was entitled to receive a depository fee in respect of the Company paid out of the assets of the Fund accruing daily and paid monthly in arrears at an annual rate which would not exceed 0.015% of the Net Asset Value of the Fund, subject to a minimum fee per Fund of US\$15,000 per annum. The Depository was also entitled to receive out of the assets of the Fund safe-keeping fees, transaction charges, asset fees, account fees, derivative fees, client pricing and due diligence fees (at normal commercial rates). The Depository was also entitled to be reimbursed out of the assets of the Fund for the fees (which will not exceed normal commercial rates) and reasonable out-of-pocket expenses of any sub-custodian appointed by the Depository.

The Depository was also entitled to be reimbursed out of the assets of the Fund for reasonable and properly vouched out-of-pocket expenses incurred by it in respect of the Fund. These fees covered costs and expenses such as printing, translation, mailing and other sundry expenses. The Fund bore its proportion of the fees and expenses of the Administrator and the Depository respectively.

Details of Administration and Depository fees incurred by the Fund during the financial period are shown in the Statement of Operations, and details of Administration and Depository fees payable by the Fund at financial period end are shown in the Statement of Assets and Liabilities.

#### **Auditor remuneration**

The total amount of Auditor's remuneration as disclosed in the Statement of Operations for the financial period from 1 January 2023 to 7 November 2023 and the financial year ended 31 December 2022 was in relation to professional services rendered for statutory audit fees, tax advisory and other services.

The remuneration for all work carried out by the statutory audit firm in respect of the period ended 31 January 2024 and financial year ended 31 December 2022 is as follows:

## GW&K INVESTMENT FUNDS PLC

Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023

And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)

(Continued)

### 2. FEES (Continued)

#### Auditor remuneration (Continued)

	31 January 2024	31 December 2022
	USD	USD
Statutory audit fees*	30,542	32,519
Tax advisory and other services*	8,109	6,781
	<u>38,651</u>	<u>39,300</u>

\*The remuneration amounts disclosed in this note are exclusive of Irish Value Added Tax (“VAT”) of 23% and inclusive of out of pocket expenses.

### 3. SHARE CAPITAL

#### Authorised

The authorised capital of the Company was 500,000,000,002 divided into 2 Subscriber Shares of €1 each and 500,000,000,000 Redeemable Participating Shares of no par value.

#### GW&K Emerging Markets Equity Fund

##### Period ended 31 January 2024

Issued Share Capital	Class A***	Class A	Class C*	Class C	Class D**	Class D
	Shares	USD	Shares	USD	Shares	USD
Opening balance	34,423		40,753		54,196	
Shares issued	75	117,908	406	594,409	3,985	10,440,611
Shares redeemed	(34,498)	(50,926,775)	(41,159)	(58,655,216)	(58,181)	(149,561,439)
Closing balance	<u>-</u>		<u>-</u>		<u>-</u>	

Issued Share Capital	Class F****	Class F	Total	Total
	Shares	USD	Shares	USD
Opening balance	186,510		315,882	
Shares issued	176	26,539	4,642	11,179,467
Shares redeemed	(186,686)	(30,282,202)	(320,524)	(289,425,632)
Closing balance	<u>-</u>		<u>-</u>	

\*\*\*\*Class F terminated on 31 July 2023.

\*\*\*Class A terminated on 25 October 2023.

\*\*Class D terminated on 2 January 2024.

\*Class C terminated on 3 January 2024.

## GW&K INVESTMENT FUNDS PLC

Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023

And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)

(Continued)

### 3. SHARE CAPITAL (Continued)

#### GW&K Emerging Markets Equity Fund

Year ended 31 December 2022

Issued Share Capital	Class A	Class A	Class C	Class C	Class D	Class D
	Shares	USD	Shares	USD	Shares	USD
Opening balance	82,594		103,343		53,999	
Shares issued	364	530,928	739	1,067,043	7,641	19,681,533
Shares redeemed	(48,535)	(64,280,939)	(63,329)	(86,644,025)	(7,444)	(19,277,786)
Closing balance	<u>34,423</u>		<u>40,753</u>		<u>54,196</u>	

Issued Share Capital	Class F	Class F	Total	Total
	Shares	USD	Shares	USD
Opening balance	219,182		459,118	
Shares issued	807	112,982	9,551	21,392,486
Shares redeemed	(33,479)	(5,062,663)	(152,787)	(175,265,413)
Closing balance	<u>186,510</u>		<u>315,882</u>	

#### Subscriber Shares

The holders of Subscriber shares in the Company had capital to the value of €2 returned on liquidation of the Company at financial period end. As these did not form part of the Redeemable Participating Shares of the Company, they did not form part of the Net Asset Value of the Company and are thus disclosed in the financial statements by way of this note only. The Subscriber Shares entitled the holders to attend and vote at general meetings of the Company but did not entitle the holders to participate in the profits or assets of the Company.

#### Allocation of Income, Expenses and Net Gains and Losses between Classes of Shares

Income, expenses and net gains and losses on investments were allocated to the Class or Classes of Shares of a Fund or Funds to which, in the opinion of the Directors, they related. If these amounts were not readily attributable to any particular Class, the Directors had discretion to determine the basis on which these amounts should be allocated between the Classes. In such cases these amounts were allocated to all Classes pro rata to the value of the net assets of the relevant Class, as applicable.

## GW&K INVESTMENT FUNDS PLC

Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023

And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)

(Continued)

### 4. NET ASSET VALUE AND NET ASSET VALUE PER SHARE

	Net Asset Value 7 November 2023	NAV per Share 7 November 2023	Net Asset Value 31 December 2022	NAV per Share 31 December 2022
Class A - EUR***	-	-	€ 47,472,748	€ 1,379.10
Class C - USD*	\$57,870,956	\$1,417.47	\$56,766,869	\$1,392.95
Class D - GBP**	£19,679,708	£2,064.45	£111,804,160	£2,062.96
Class F - DKK****	-	-	Kr. 184,374,658	Kr. 988.55

	Net Asset Value 31 December 2021	NAV per Share 31 December 2021
Class A - EUR	€ 130,984,975	€ 1,585.89
Class C - USD	\$175,490,616	\$1,698.14
Class D - GBP	£120,954,509	£2,239.94
Class F - DKK	Kr. 248,803,852	Kr. 1,135.15

\*\*\*\*Class F terminated on 31 July 2023.

\*\*\*Class A terminated on 25 October 2023.

\*\*Class D terminated on 2 January 2024.

\*Class C terminated on 3 January 2024.

The Net Asset Values and NAVs per Share disclosed in the table above are the last published NAVs as of the imminent date 7 November 2023. At financial period end date 31 January 2024 all Net Asset Values and NAVs per Share values were nil.

### 5. TAXATION

Under existent law and practice, the Company qualified as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. It was not chargeable to Irish tax on its income or capital gains.

However, a tax may have arisen on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares. Any tax arising on a chargeable event would have been a liability of the shareholder, albeit paid by the Company (although if the Company had failed to deduct the tax or the correct amount of tax it would have become ultimately a liability of the Company).

During the financial period no tax arose in respect of chargeable events in respect of (a) a shareholder who is an Exempt Irish Investor (as defined by Section 739D of the Taxes Consolidation Act, 1997, as amended) who provided the Company with the necessary signed statutory declarations or (b) who was neither an Irish resident nor ordinarily a resident in Ireland at the time of the chargeable event provided that the necessary signed declaration was in place.

## **GW&K INVESTMENT FUNDS PLC**

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**And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)**

**(Continued)**

### **5. TAXATION (Continued)**

Accounting Standard Codification (“ASC”) 740 (formerly known as FIN 48 “Accounting for Uncertainty in Income Taxes - an interpretation of ASC 740 (SFAS 109)”) clarifies the accounting for uncertainty in income taxes recognised in the Company’s financial statements in accordance with ASC 740 (SFAS 109), Accounting for Income Taxes. ASC 740 prescribes a recognition threshold and measurement attributable to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 required the Company to determine whether it was more likely than not that a tax position will be sustained upon examination including resolution of any related appeals or litigation processes based on the technical merit of the position.

The Board has analysed the tax position of the Company at financial period end and concluded that there were no uncertain tax positions that require recognition and measurement under ASC 740 (Codification Section ASC 740-10-25).

#### **Withholding tax on dividends and capital gains tax**

Realised gains on the sale of investments are shown net of capital gains tax in the Statement of Operations. The Company’s capital gain tax for the financial period from 1 January 2023 to 31 January 2024 was USD 1,118,405 (financial year ended 31 December 2022: USD 400,973).

Income is shown net of withholding taxes and is disclosed in the Statement of Operations. The Company’s withholding tax for the financial period from 1 January 2023 to 31 January 2024 was USD 611,047 (financial year ended 31 December 2022: USD 931,372).

### **6. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included cash in hand and other short term highly liquid investments with maturities of three months or less. As at 31 January 2024, all cash and cash equivalents was cash at bank, which was held with Northern Trust Fiduciary Services (Ireland) Limited. As at 31 December 2022, all cash and cash equivalents was cash at bank, which was held with Northern Trust Fiduciary Services (Ireland) Limited.

The Company has a cash balance of GBP 46,253 held with State Street Custodial Services (Ireland). This cash balance relates to tax reclaims payable to investors in GW&K Global Diversified Fund which were realised subsequent to the date GW&K Global Diversified Fund terminated on 14 September 2018.

### **7. RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

On page 1, the Company’s Directors and Investment Manager, GW&K Investment Management, LLC (“GW&K”) are disclosed. The investment management fees and expense reimbursements as referenced in note 2 are set out below.

## **GW&K INVESTMENT FUNDS PLC**

**Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023**

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**(Continued)**

### **7. RELATED PARTY TRANSACTIONS (Continued)**

During the financial period from 1 January 2023 to 31 January 2024, Investment Manager fees of USD 1,979, 828 (financial year ended 31 December 2022: USD 3,539,086) were incurred, of which USD 15,668 (31 December 2022: USD 183,286) remained payable as at 31 January 2024. The Company received expense reimbursements of USD 323,461 (31 December 2022: USD 147,697) from the Investment Manager of which USD Nil (31 December 2022: USD Nil) was receivable from the Investment Manager as at 31 January 2024.

During the financial period from 1 January 2023 to 31 January 2024, Directors' fees of USD 41,844 (31 December 2022: USD 43,382) were incurred. As at 31 January 2024, Directors' fees of USD Nil (31 December 2022: USD Nil) were payable.

None of the current Directors had any shareholding in the share capital of GW&K Emerging Markets Equity Fund or the Company during the period from 1 January 2023 to 31 January 2024 (financial year ended 31 December 2022: none).

T. Williams Roberts III is a Partner and Co-CEO and oversees the Finance, Compliance, Information Technology, Operations, Human Resource and Administration departments of GW&K. Thomas F. X. Powers is a Partner and Co-CEO and oversees GW&K's Sales, Marketing and Client Service departments.

Carne Global Fund Managers (Ireland) Limited, as Manager to the Company, earned a fee of USD 45,746 during the financial period from 1 January 2023 to 31 January 2024 (financial year ended 31 December 2022 : USD 54,665), of which USD 367 (31 December 2022: USD 3,735) was payable at 31 January 2024.

Elizabeth Beazley, a Director of the Company, is also a Director of Carne Global Fund Managers (Ireland) Limited (the "Manager") and an employee of Carne Global Financial Services Limited, the parent company of the Manager. During the current financial period ended 31 January 2024, Carne Global Financial Services Limited earned fees in respect of Director support services and other fund governance services provided to the Company. The fees amounted to USD 9,085 (31 December 2022: USD 10,372) and USD 25,753 (31 December 2022: USD 38,637) respectively of which USD Nil (31 December 2022: USD Nil) was payable at 31 January 2024.

### **8. EFFICIENT PORTFOLIO MANAGEMENT**

The Fund could at times have employed investment techniques for efficient portfolio management and/or investment purposes subject to the conditions and limits as set forth in the prospectus. Examples of investment techniques which the Fund could have employed for efficient portfolio management and/or investment purposes included, but were not limited to, the following:

Forward contracts lock-in the price an index or asset may be purchased or sold for on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date, whereas an interest rate forward determines an interest rate to be paid or received on an obligation beginning at a start date sometime in the future. Forward contracts may be cash settled on a gross or a net basis. These contracts cannot be transferred.

## **GW&K INVESTMENT FUNDS PLC**

**Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023**

**And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)**

**(Continued)**

### **8. EFFICIENT PORTFOLIO MANAGEMENT (Continued)**

The Fund's use of forward foreign exchange contracts may have included, but was not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another.

The Fund was able to enter into spot foreign exchange transactions which involved the purchase of one currency with another, a fixed amount of the first currency being paid to receive a fixed amount of the second currency. "Spot" settlement means that delivery of the currency amounts normally took place two business days in both relevant centres after the trade is executed, however some currencies may have taken longer to settle.

The full list of the investment techniques which the Fund employed for efficient portfolio management and/or investment purposes is outlined in the relevant prospectus supplement.

During the financial period from 1 January 2023 to 31 January 2024 and the financial year ended 31 December 2022, the Fund entered into spot foreign exchange contracts but did not enter into any other financial derivative instrument contract.

### **9. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS**

#### **General Risk Management Process**

As an Investment Company, the management of financial instruments was fundamental to the management of the Company's business. The Company's risk management process was managed by GW&K Investment Management, LLC in their capacity as Investment Manager. The oversight of these functions was carried out by Northern Trust Fiduciary Services Ireland Limited, in its role as Depository, and by the Board of Directors. There were no significant changes to the risk management process during the course of the financial period.

The Company's investment activities exposed it to various types of risks associated with the financial instruments and markets in which the Company invested. During the financial period, the Company was exposed to various risks as set forth in the prospectus and other Company documents, including the following risks: market risk, interest rate risk, currency risk, credit risk and liquidity risk.

#### **Global Exposure**

Per the UCITS Regulations, and as part of the risk management and reporting requirements, the Fund was monitored and measured in accordance with the regulatory requirements. In accordance with the regulatory requirements, global exposure could be calculated in two ways, either Commitment approach or Value at Risk ("VaR").

The Commitment approach was used to calculate global exposure for the Fund. This approach converted the Fund's financial derivative positions into an equivalent position of the underlying asset based on the market value of the underlying asset. The Fund did not hold financial derivative positions at 31 January 2024 and 31 December 2022.

#### **Market Risk**

Market risk can arise from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss that the relevant Fund may suffer through holding market positions in the face of market movements.



## GW&K INVESTMENT FUNDS PLC

Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023

And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)

(Continued)

### 9. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

#### Market Risk (Continued)

During the financial period the value of securities held by the Fund adjusted in response to certain market events, including conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability, and currency, interest rate and price fluctuations.

During the financial period the Investment Manager endeavoured to maintain a diversified portfolio of investments so as to reduce risk but the price of the shares in the Company can go down as well as up and on redemption investors may not realise their initial investment. At financial period end the Company was exposed to no market risk as the Fund had liquidated all of its assets.

#### Interest Rate Risk

Interest rate risk is the risk that the value of cash at a financial institution held by the Fund will fluctuate because of changes in interest rates. At the financial period end, the Fund held cash at a financial institution that exposes them to interest rate risk. The Fund's exposure to interest rate risk at the financial period end 31 January 2024 or financial year end 31 December 2022 was not significant.

#### Currency Risk

Foreign currency risk will naturally arise from investment in overseas assets and can impact the value of either the financial instrument or the future cash flows generated by that instrument. The Investment Manager monitored the exposure on foreign currency denominated assets and liabilities.

The foreign currency exposure for the monetary and non-monetary assets held by the Fund as at 31 January 2024 were as follows:

	<b>Monetary Net Assets/(Liabilities)</b>	<b>Non-monetary Assets/(Liabilities)</b>	<b>Net Assets</b>	<b>Sensitivity Analysis</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
EUR	2	-	2	-
GBP	326,101	-	326,101	16,305
HKD	2	-	2	-
MXN	2	2	4	-
ZAR	1	-	1	-
	<b>326,108</b>	<b>2</b>	<b>326,110</b>	<b>16,305</b>

## GW&K INVESTMENT FUNDS PLC

Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023

And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)

(Continued)

### 9. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

#### Currency Risk (Continued)

The foreign currency exposure for the monetary and non-monetary assets held by the Fund as at 31 December 2022 were as follows:

	Monetary Net Assets/(Liabilities)	Non-monetary Assets/(Liabilities)	Net Assets	Sensitivity Analysis
	USD	USD	USD	USD
AED	-	1,192,999	1,192,999	59,650
BRL	47,973	8,195,075	8,243,048	412,152
CNH	46,021	11,584,206	11,630,227	581,511
DKK	-	(684)	(684)	(34)
EUR	(1,155)	2,304,990	2,303,835	115,192
GBP	31,548	(850)	30,698	1,535
HKD	-	68,845,663	68,845,663	3,442,283
IDR	-	9,890,996	9,890,996	494,550
INR	48,938	33,750,170	33,799,108	1,689,955
KRW	-	21,502,122	21,502,122	1,075,106
MXN	1	16,435,114	16,435,115	821,756
PHP	27,043	6,468,770	6,495,813	324,791
PLN	-	5,315,350	5,315,350	265,768
SAR	-	1,109,557	1,109,557	55,478
THB	-	1,389,435	1,389,435	69,472
TWD	220,832	32,448,075	32,668,907	1,633,445
VND	-	2,048,491	2,048,491	102,425
ZAR	-	6,587,273	6,587,273	329,364
	<b>421,201</b>	<b>229,066,752</b>	<b>229,487,953</b>	<b>11,474,399</b>

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Northern Trust Fiduciary Services (Ireland) Limited (“NTFSIL”) was the appointed Depositary of the Fund from 1 July 2021, responsible for the safe-keeping of assets. NTFSIL has appointed The Northern Trust Company (“TNTC”) as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation (“NTC”). During the financial period NTC had a long term credit rating from Standard & Poor’s of A+.

TNTC (as global sub-custodian of NTFSIL) did not appoint external sub-custodians within the U.S., the U.K., Ireland, Canada, Belgium, France, Germany, Netherlands and Saudi Arabia. However, in all other markets, TNTC appointed local external sub-custodians.

## **GW&K INVESTMENT FUNDS PLC**

**Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023**

**And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)**

**(Continued)**

### **9. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)**

#### **Credit Risk (Continued)**

NTFSIL, in the discharge of its depositary duties, verified the Fund's ownership of Other Assets, (as defined under Other Assets, Art 22(5) of UCITS V Directive 2014/91/EU), by assessing whether the Fund held the ownership based on information or documents provided by the Fund or where available, on external evidence.

TNTC, in the discharge of its delegated depositary duties, held in custody (i) all financial instruments registered as a financial instruments account opened on the books of TNTC and (ii) all financial instruments physically delivered to TNTC. TNTC ensured all financial instruments (held in a financial instruments account on the books of TNTC) were held in segregated accounts in the name of the Fund, clearly identified as belonging to the Fund, and distinct and separate from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, held cash of the Fund on deposit. In the event of insolvency of TNTC, in accordance with standard banking practice, the Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Where relevant please note the following currencies, Jordanian Dinar, Saudi Riyal, cash in the onshore China market (principally the currency of Chinese Yuan Renminbi, and any other currencies remitted into accounts in the onshore China market), were not held on the Balance Sheet of TNTC. For these off-book currencies, clients' cash exposure was directly to the relevant local sub-custodian / financial institution in the market.

Insolvency of NTFSIL and or one of its agents or affiliates may cause the Funds' rights with respect to its assets to be delayed.

In accordance with the requirements of the Depositary agreement and the UCITS Regulations, the Funds' securities were maintained within the Depositary's custodial network in segregated accounts. The Depositary ensured that any agents it appointed to assist in safekeeping the assets of the Fund segregated the assets of the Fund. Thus in the event of insolvency or bankruptcy of the Depositary or sub-depositary, the Funds' assets were segregated and protected and this further reduced counterparty risk. The Fund is, however, exposed to the risk of the Depositary or certain depositories used by the Depositary, in relation to the Funds' cash held by the Depositary. Cash, unlike securities is fungible and cannot be registered in the name of, or identified as beneficially owned by a client, nor can it practically be held in physical segregation.

In the event of the insolvency or bankruptcy of the Depositary, the Fund will be treated as a general creditor of the Depositary in relation to cash holdings of the Fund.

## GW&K INVESTMENT FUNDS PLC

Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023

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(Continued)

### 9. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

#### Liquidity Risk

Liquidity risk is the risk that the Company was not be able to, or could not easily unwind or offset a particular position at or near the previous market price, because of inadequate market depth or because of disruptions in the market place. Up to its liquidation, the Fund's assets were comprised of mainly readily realisable securities. The main financial liability of the Fund was the redemption of the share capital of the Fund. As an investment company with variable capital, the Company was required to sell shares back to shareholders at a price equivalent to the Net Asset Value per share, subject to settlement and dealing restrictions laid down in the Company's Articles of Association and prospectus.

The Investment Manager monitored the Funds' liquidity position on a daily and monthly basis during the financial period. Also during the liquidation period the Directors were able, by the provisions in the prospectus, to defer settlement of redemptions of significant size to facilitate an orderly disposition of securities as in the interest of the remaining shareholders.

The maximum number of shares available for redemption on any given day could be restricted by the Directors to 10% of the total number of shares of that Fund in issue.

There are no financial liabilities due at the financial period ended 31 January 2024 (financial year ended 31 December 2022: none).

The liquidity risk analysis as at 31 January 2024 was as follows:

#### GW&K Emerging Markets Equity Fund

	Less than 1 month USD	1 to 3 months USD	3 months to 1 year USD	1 year or more USD	Total USD
Liabilities					
Total liabilities payable	-	(856,720)	-	-	(856,720)
Net assets attributable to holders of redeemable shares	-	-	-	-	-
	-	<b>(856,720)</b>	-	-	<b>(856,720)</b>

The liquidity risk analysis as at 31 December 2022 is as follows:

#### GW&K Emerging Markets Equity Fund

	Less than 1 month USD	1 to 3 months USD	3 months to 1 year USD	1 year or more USD	Total USD
Total liabilities payable	-	(1,703,829)	-	-	(1,703,829)
Net assets attributable to holders of redeemable shares	(267,449,086)	-	-	-	(267,449,086)
	<b>(267,449,086)</b>	<b>(1,703,829)</b>	-	-	<b>(269,152,915)</b>

## GW&K INVESTMENT FUNDS PLC

Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023

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(Continued)

### 10. FAIR VALUATION HIERARCHY

ASC 820 establishes a three-tier fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 - Valuation is based on other significant observable inputs, either directly or indirectly, at the measurement date such as a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets and liabilities in markets that are not active; c) observable inputs, other than quoted prices, for assets and liabilities; or d) inputs that are derived from or corroborated by observable market data by correlation or other means; and,
- Level 3 - Valuation is based on significant unobservable inputs for an asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of a market participant that holds the asset or owes the liability.

The Fund had no financial assets as at 31 January 2024.

The following is a summary of the inputs used to value the Fund's financial assets as at 31 December 2022.

#### GW&K Emerging Markets Equity Fund

	Quoted prices in active markets for identical assets (Level 1) USD	Total USD
Financial assets:		
Investment in equity securities	265,276,882	265,276,882
	<u>265,276,882</u>	<u>265,276,882</u>

There were no level 2 or level 3 securities held as at 31 January 2024 and at 31 December 2022.

There were no transfers between levels during the financial period ended 31 January 2024 and the financial year ended 31 December 2022.

## GW&K INVESTMENT FUNDS PLC

Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023

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(Continued)

### 11. FOREIGN CURRENCY EXCHANGE RATES

US Dollar was chosen as the functional currency and presentation currency of the Company. Assets and liabilities denominated in currencies other than the presentation currency are translated into the presentation currency at the closing rates of exchange at financial period end and financial year end.

The rates of exchange ruling at the financial period ended 31 January 2024 were:

USD 1 =

AED	3.67295	INR	83.04375
BRL	4.94815	KRW	1334.65000
CNH	7.18675	MXN	17.12850
CNY	7.17955	PHP	56.29500
DKK	6.86180	PLN	3.98320
EUR	0.92246	SAR	3.75010
GBP	0.78827	THB	35.47750
HKD	7.81905	TWD	31.29950
HUF	353.27045	VND	24425.00000
IDR	15780.00000	ZAR	18.59875

The rates of exchange ruling at the financial year ended 31 December 2022 were:

USD 1 =

AED	3.67265	INR	82.73000
BRL	5.27975	KRW	1264.50000
CNH	6.91070	MXN	19.56300
CNY	6.95170	PHP	55.72750
DKK	6.96525	PLN	4.38625
EUR	0.93663	SAR	3.75800
GBP	0.83063	THB	34.63500
HKD	7.79420	TWD	30.73550
HUF	375.00590	VND	23575.00000
IDR	15567.500000	ZAR	16.9325

## GW&K INVESTMENT FUNDS PLC

Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023

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(Continued)

### 12. SOFT COMMISSIONS, DIRECTED BROKERAGE & TRANSACTION COSTS

Subject to its duty to obtain best execution, the Investment Managers may have directed some transactions for execution to certain broker-dealers in recognition of brokerage and research services provided by those broker-dealers in accordance with Section 28(e) of the Securities Exchange Act of 1934. The practice of obtaining research in this manner is referred to as using “soft dollars”. Soft dollar transactions generally cause clients to pay a commission rate higher than would be charged for execution only transactions. The products and services received through soft dollar transactions may have been produced by the broker-dealer itself or obtained from other third-party providers, and may have included, among other things, a wide variety of research reports, such as market, financial and economic statistics, studies and forecasts, and information regarding economic and political developments.

The Investment Managers may have given trading preference to those broker-dealers that provide research products and services, either directly or indirectly, only so long as the Investment Managers believed that the selection of a particular broker-dealer is consistent with its duty to seek best execution. GW&K Emerging Markets Equity Fund paid soft commissions of USD 176,616 during the financial period from 1 January 2023 to 31 January 2024 (financial year ended 31 December 2022: USD 242,356).

Transaction costs are defined in Note 1 of the financial statements. Transaction costs on purchases and sales of equities are readily identifiable and for the financial period from 1 January 2023 to 31 January 2024 and the financial year ended 31 December 2022 are as follows:

<b>Fund</b>	<b>31-Jan 2024 USD</b>	<b>31-Dec 2022 USD</b>
GW&K Emerging Markets Equity Fund	928,245	863,907

## GW&K INVESTMENT FUNDS PLC

Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023

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(Continued)

### 13. FINANCIAL HIGHLIGHTS

The following summarises the Company's financial highlights for the period from 1 January 2023 to 7 November 2023. There are no financial highlights to present for the financial period ended 31 January 2024 as all share class were fully redeemed at 31 January 2024.

#### GW&K Emerging Markets Equity Fund Per Share Operating Performance

	Class A** EUR	Class C USD	Class D GBP	Class F*** DKK
Net asset value at beginning of financial period	1,379.10	1,392.95	2,062.96	988.55
<b>Increase from investment operations</b>				
Net investment income	-	8.84	18.06	-
Net realised loss and change in unrealised depreciation from investments and foreign currency <sup>†</sup>	-	15.68	(16.57)	-
Net decrease from investment operations	-	24.52	1.49	-
Net asset value at end of financial period	-	1,417.47	2,064.45	-
<b>Total Return<sup>2</sup></b>	-	1.76%	0.07%	-
<b>Expense Ratio<sup>†</sup>/*</b>	-	1.23%	0.80%	-
<b>Net Investment Income Ratio<sup>3</sup></b>	-	0.60%	0.85%	-

\*\*\* Share Class F was fully redeemed on 31 July 2023.

\*\* Share Class A was fully redeemed on 25 October 2023.

\* Expense ratios are annualised.

† The expense ratio for Class D GBP of GW&K Emerging Markets Equity Fund is shown after an expense reimbursement to that Class of Share. The expense ratio of Class D GBP before the expense reimbursement was 1.03%.

<sup>1</sup> Net realised gain and change in unrealised depreciation from investments and foreign currency per share figures are balancing figures, and have not been calculated from changes in aggregated gains and losses for the Fund during the financial period. Such aggregate calculations have not been possible due to the timing of capital transactions during the financial period.

<sup>2</sup> The total return is calculated by dividing the change in the per share value for the financial period by the Net Asset Value per share at the beginning of the financial period. An individual shareholder's return may vary from this return based on the timing of capital transactions during the financial period.

<sup>3</sup> The net investment income per share ratio represents the net investment income to average monthly shares in issue during the financial period.



## GW&K INVESTMENT FUNDS PLC

Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023

And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)

(Continued)

### 13. FINANCIAL HIGHLIGHTS (Continued)

The following summarises the Company's financial highlights for the financial year ended 31 December 2022.

#### GW&K Emerging Markets Equity Fund

##### Per Share Operating Performance

	Class A EUR	Class C USD	Class D GBP	Class F DKK
Net asset value at beginning of financial year	1,585.89	1,698.14	2,239.94	1,135.15
<b>Increase from investment operations</b>				
Net investment income	5.36	7.04	15.4	5.63
Net realised gain and change in unrealised appreciation from investment and foreign currency <sup>1</sup>	(212.15)	(312.23)	(192.38)	(152.23)
Net increase from investment operations	(206.79)	(305.19)	(176.98)	(146.60)
Net asset value at end of financial year	1,379.10	1,392.95	2,062.96	988.55
<b>Total Return<sup>2</sup></b>	-13.04%	-17.97%	-7.90%	-12.91%
<b>Expense Ratio†/*</b>	1.14%	1.14%	0.78%	0.95%
<b>Net Investment Income Ratio<sup>3</sup></b>	0.37%	0.48%	0.75%	0.55%

† The expense ratio for Class D GBP of GW&K Emerging Markets Equity Fund is shown after an expense reimbursement to that Class of Share. The expense ratio of Class D GBP before the expense reimbursement 0.89%.

\* Expense ratios are annualised.

<sup>1</sup> Net realised gain and change in unrealised depreciation from investments and foreign currency per share figures are balancing figures, and have not been calculated from changes in aggregated gains and losses for the Fund during the financial year. Such aggregate calculations have not been possible due to the timing of capital transactions during the financial year.

<sup>2</sup> The total return is calculated by dividing the change in the per share value for the financial year by the Net Asset Value per share at the beginning of the financial year. An individual shareholder's return may vary from this return based on the timing of capital transactions during the financial year.

<sup>3</sup> The net investment income per share ratio represents the net investment income to average monthly shares in issue during the financial year.

## **GW&K INVESTMENT FUNDS PLC**

**Notes to the Financial Statements for the financial period from 1 January 2023 to 7 November 2023**

**And for the financial period from 8 November 2023 to 31 January 2024 (on a liquidation basis)**

**(Continued)**

### **14. RECENT ACCOUNTING PRONOUNCEMENTS**

There were no standards or amendments issued or came in to effect during the period that have had an effect on the Fund.

### **15. SIGNIFICANT CONCENTRATIONS OF SHAREHOLDERS**

The Fund may have had a risk of concentration of shareholders holding a significant percentage of the shares outstanding. Investment activities of these shareholders could have a material impact on the Fund. At 31 January 2024, the Fund had no shareholders (31 December 2022: three shareholders with shareholdings of 36.8%, 19.9% and 19.1%).

### **16. COMPARATIVES**

The comparative figures relate to the financial year ended 31 December 2022.

### **17. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD**

GW&K Emerging Markets Fund class F was fully redeemed on 31 July 2023.

GW&K Emerging Markets Fund class A was fully redeemed on 25 October 2023.

GW&K Emerging Markets Fund class D was fully redeemed on 2 January 2024.

GW&K Emerging Markets Fund class C was fully redeemed on 3 January 2024.

A decision was taken by the Directors to liquidate the Company on 8 November 2023, the date on which the liquidation became imminent. The Company ceased trading on 31 January 2024. The trading that took place during the period from 8 November 2023 to 31 January 2024 was the sale of all the remaining investments.

There were no other significant events during the financial period from 1 January 2023 to 7 November 2023 and for the financial period from 8 November 2023 to 31 January 2024 which required adjustment to, or disclosure in these financial statements.

### **18. SUBSEQUENT EVENTS AFTER THE FINANCIAL PERIOD END**

There are no subsequent events to disclose in these financial statements.

### **19. SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR)**

During the financial period the Fund met the criteria to be considered an Article 8 fund under the EU Sustainable Finance Disclosure Regulation (“SFDR”).

Further detail around how the Fund achieved its Article 8 objectives including information on the environmental and social characteristics of the Fund is available in the SFDR Disclosure annex on pages: 45–52.

### **20. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved by the Directors on 24 April 2024.

**GW&K INVESTMENT FUNDS PLC**  
**GW&K Emerging Markets Equity Fund**

**Schedule of Portfolio Changes for the financial period from 1 January 2023 to 31 January 2024 (Unaudited)**

**Largest cumulative purchases in excess of 1% of total purchases\***

	<b>Shares</b>	<b>Cost USD</b>
Contemporary Amperex Technology	70,900	2,633,722
Kanzhun - ADR	159,300	2,585,882
HDFC Asset Management	111,530	2,467,059
Baidu	136,900	2,314,348
Arabian Drilling Company	46,400	1,962,514
Globant	11,700	1,921,341
One 97 Communications Limited	150,600	1,666,943
Americana Restaurants International	1,406,300	1,491,250
Pepco Group NV	162,000	1,465,530
Wuliangye Yibin	58,100	1,463,995
Li Ning	190,500	1,459,902
Banco Bradesco - ADR	498,700	1,383,893
Byhealth	404,900	1,382,865
Nu Holdings	209,100	1,354,968
Mitra Adiperkasa	11,131,919	1,350,449
Sumber Alfaria Trijaya	6,076,000	1,183,584
Cholamandalam Investment and Finance	119,300	1,069,627
Fomento Economico Mexicano	101,300	903,181
Sands China	263,600	899,162
Wal-Mart de Mexico	200,300	794,078
Hong Kong Exchanges and Clearing	15,400	671,214
Copa	7,000	667,789
Shenzhen Inovance Technology Co	74,400	637,482
Kuaishou Technology	72,900	615,512
Shenzhou International Group Holdings	70,300	583,891
International Container Terminal Services	152,700	576,710
Totvs	93,500	542,057
Proya Cosmetics	39,940	529,081
Adnoc Drilling Co PJSC	483,900	522,071
Lepu Medical Technology Beijing	139,224	488,006

\*In accordance with the UCITS regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the financial period or at least the top 20 purchases and sales.

**GW&K INVESTMENT FUNDS PLC**  
**GW&K Emerging Markets Equity Fund**

**Schedule of Portfolio Changes for the financial period from 1 January 2023 to 31 January 2024 (Unaudited) (Continued)**

**Largest cumulative sales in excess of 1% of total sales\***

	<b>Shares</b>	<b>Proceeds USD</b>
Taiwan Semiconductor Manufacturing	1,344,676	23,167,125
HDFC Bank	962,563	17,638,825
Samsung Electronics	318,202	16,749,561
Tencent Holdings	245,352	9,772,391
Alibaba Group Holding	838,144	8,727,677
Baidu	550,448	8,396,123
Trip.com Group - ADR	224,769	7,905,360
Reliance Industries (Restricted Shares)	271,530	7,703,963
SK Hynix	77,314	7,170,514
Bank Mandiri Persero	18,787,200	7,034,720
Yum China Holdings	135,703	6,912,629
Grupo Financiero Banorte	726,743	6,290,932
MakeMyTrip	148,386	5,919,659
BDO Unibank	2,544,261	5,892,196
AIA Group	614,959	5,425,156
Fomento Economico Mexicano	481,725	5,394,731
Grupo Aeroportuario del Pacifico	314,117	4,850,418
Bid	218,203	4,800,181
Sands China	1,629,601	4,695,091
China International Capital	2,662,800	4,615,504
XP - ADR	196,181	4,353,087
Copa	42,700	4,295,634
Globant	21,800	4,255,531
Bank Rakyat Indonesia Persero	11,881,600	4,004,190
Dino Polska	41,062	3,946,822
Kingsoft	992,477	3,933,418
Delta Electronics	383,281	3,932,611
Wal-Mart de Mexico	1,026,605	3,782,288
MediaTek	157,000	3,779,670
HDFC Asset Management	111,530	3,720,737
NetEase	172,500	3,646,233
Kanzhun - ADR	223,900	3,570,861
Fleury	1,121,543	3,453,117
Li Ning	834,500	3,384,508
Totvs	578,175	3,381,290
Feng Tay Enterprises	582,961	3,350,918
Contemporary Amperex Technology	131,410	3,332,975
Kuaishou Technology	435,472	3,187,834

\*In accordance with the UCITS regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the financial period or at least the top 20 purchases and sales.

## GW&K INVESTMENT FUNDS PLC

### Remuneration Disclosure (Unaudited)

#### REMUNERATION DISCLOSURE

The European Union Directive 2014/91/EU as implemented in Ireland by S.I. No. 143/2016 - European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016, requires management companies to establish and apply remuneration policies and practices that promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the UCITS.

To that effect, Carne Global Fund Managers (Ireland) Limited (“the **Manager**”), has implemented a remuneration policy that applies to all UCITS for which the Manager acts as manager (the “**Remuneration Policy**”) and covers all staff whose professional activities have a material impact on the risk profile of the Manager or the UCITS it manages (“**Identified Staff of the Manager**”). The Remuneration Policy also applies to all alternative investment funds for which the Manager acts as alternative investment fund manager. In accordance with the Remuneration Policy, all remuneration paid to Identified Staff of the Manager can be divided into:

- Fixed remuneration (payments or benefits without consideration of any performance criteria); and
- Variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria) which is not based on the performance of the UCITS.

The Manager has designated the following persons as Identified Staff of the Manager:

1. The Designated Persons;
2. Each of the Manager’s directors;
3. Head of Compliance;
4. Risk Officer;
5. Head of Anti-Money Laundering and Counter Terrorist Financing Compliance
6. Money Laundering Reporting Officer;
7. Chief Executive Officer;
8. Chief Operating Officer;
9. All members of the investment committee;
10. All members of the risk committee and
11. All members of the valuation committee.

The Manager has a business model, policies, and procedures which by their nature do not promote excessive risk taking and take account of the nature, scale, and complexity of the Manager and the UCITS. The Remuneration Policy is designed to discourage risk taking that is inconsistent with the risk profile of the UCITS and the Manager is not incentivised or rewarded for taking excessive risk.

The Manager has determined not to constitute a separate remuneration committee and for remuneration matters to be determined through the Manager’s Compliance and AML Committee, a Committee of the Manager’s Board.

The Manager’s Compliance and AML Committee is responsible for the ongoing implementation of the Manager’s remuneration matters and will assess, oversee, and review the remuneration arrangements of the Manager as well as that of the delegates as relevant, in line with the provisions of the applicable remuneration requirements.

## GW&K INVESTMENT FUNDS PLC

### Remuneration Disclosure (Unaudited) (Continued)

#### REMUNERATION DISCLOSURE (Continued)

The Manager employs the majority of staff directly. The Manager's parent company is Carne Global Financial Services Limited ("Carne"). In addition, Carne also operates through a shared services organisational model which provides that Carne employs a number of staff and further enters into inter-group agreements with other Carne Group entities to ensure such entities are resourced appropriately. As at 31 December 2023, 12 of the Identified Staff are employed directly by the Manager. The remainder of the Identified Staff are employees of Carne, or employees of another entity within the Carne Group, and are remunerated directly based on their contribution to Carne Group as a whole. In return for the services of each of the Carne Identified Staff, the Manager pays an annual staff recharge to Carne (the "**Staff Recharge**").

The independent non-executive directors are paid a fixed remuneration. The Other Identified Staff members' remuneration is linked to their overall individual contribution to the Manager or the Carne Group, with reference to both financial and non-financial criteria and not directly linked to the performance of specific business units or targets reached or the performance of the UCITS.

The aggregate of the total Staff Recharge, remuneration of the directly employed identified staff of the Manager and the remuneration of the independent non-executive directors for the year ended 31 December 2023 is €2,424,932 paid to 22 Identified Staff<sup>1</sup>.

The Manager has also determined that, on the basis of number of sub-funds / net asset value of the UCITS relative to the number of sub-funds / assets under management, the portion of this figure attributable to the UCITS is €1,424.

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<sup>1</sup> This number represents the number of Identified Staff as at 31 December 2023.

Sustainable Finance Disclosure Regulation (SFDR) (Unaudited)

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** GW&K Emerging Markets Equity Fund (the Fund was fully redeemed on 3 January 2024 and no longer has any shareholders and is closed to further investment. Application will be made in due course to the Central Bank for revocation of authorization of the Company)

**Legal entity identifier:** 549300RMNU2523TTHT95

Environmental and/or social characteristics

**Did this financial product have a sustainable investment objective?**

**Yes**
   **No**

<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ____%	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 23% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ____%	<input checked="" type="checkbox"/> with a social objective
<input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ____%	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

Sustainable Finance Disclosure Regulation (SFDR) (Unaudited) (Continued)



**Sustainability indicators**

measure how the environmental or social characteristics promoted by the financial product are attained.

**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

The environmental and social characteristics promoted by the Fund during the reference period and which were met were:

- i) protection and preservation of the environment,
- ii) contributions to positive, sustainable outcomes for communities, and
- iii) support a long-term view of service to citizens.

**How did the sustainability indicators perform?**

The Investment Manager used qualitative analysis paired with a quantitative framework which applies a proprietary scoring methodology, which identifies holdings the Investment Manager believes have positive environmental and/or social characteristics. Indicators screened utilizing the Investment Manager's proprietary quantitative framework and qualitative analysis included but were not limited to carbon intensity, whether carbon data available is audited, net zero targets, GHG emissions, the company's status as a United Nations Global Compact signatory, and one or more of the United Nations Sustainable Development Goals (SDG's). Companies that scored within the 0-4 range, received additional due diligence on their environmental and/or social characteristics. As of 30 November 2023, 97% of the Fund promoted environmental and/or social characteristics based on the application of the framework. There were no breaches in regard to the proprietary exclusion filter during the reference period.

**...and compared to previous periods?**

Similar to 2022, 97% of the Fund promoted environmental and/or social characteristics based on the application of the framework during the reference period.

**What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the Fund made was to contribute to one or several of the UN SDGs.

The Investment Manager identified sustainable investments contributing to these objectives. Where the Fund invested in any of these issuers, those issuers were accordingly treated as contributing to the objective of attaining the relevant SDG(s) while also achieving the Fund's investment objectives. 23% of the portfolio was considered sustainable.

**How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The Investment Manager had a proprietary quantitative methodology to assess the performance of the Fund's holdings as it relates to the Principal Adverse Impact ("PAI") indicators. Third party data sources were reviewed to evaluate various climate and ESG related factors. The output from these data sources in conjunction with the Investment Manager's analysis was the basis to form a determination regarding whether an investment does not cause significant harm. In some instances, sufficient data may not have been available for a specific PAI or a specific PAI may not have been applicable to a portfolio company. Based on the application of the above methodology, it was determined that none of the sustainable investments caused significant harm.

**Principal adverse impacts**

are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



**Sustainable Finance Disclosure Regulation (SFDR) (Unaudited) (Continued)**

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

PAI indicators were assessed as part of the Investment Manager’s proprietary methodology, which encompassed a review of PAI data available from third-party sources and the Investment Manager’s qualitative analysis. The PAI indicators were one of several factors that informed the investment decision making process and determined the portion of the Fund that was deemed to be invested in sustainable investments.

— *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

As part of its investment process, the Investment Manager considered, when investing in companies, if there was any: (i) violation of UN Global Compact principles and OECD Guidelines for Multinational Enterprises and (ii) lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises. The Fund did not invest during the period in sustainable investments which were in violation of UN Global Compact principles and OECD Guidelines for Multinational Enterprises or were found to have a lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**How did this financial product consider principal adverse impacts on sustainability factors?**

The Fund pursued a reduction of negative externalities caused by the underlying investments and the Investment Manager’s proprietary quantitative PAI methodology assessed the performance of the portfolio across multiple PAI indicators. The Investment Manager considered the negative consequences of its investment decisions as indicated by PAI indicators as part of the portfolio management process. PAI indicators included in the Investment Manager’s review included Greenhouse Gas Emission, UN Global Compact Compliance, Board Diversity, and Weapons exposure. The PAI indicators taken into consideration were subject to data availability.

Sustainable Finance Disclosure Regulation (SFDR) (Unaudited)



**What were the top investments of this financial product?**

During the reference period\*, the top 15 holdings were as follows.

\*the reference period ends at 30 November 2023 as from 15 December 2023 the Fund only held cash and cash equivalents in anticipation of the closure of the Fund on 3 January 2024. On this basis, 30 November 2023 gives a more accurate indication of the Fund's position.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1 January 2023 to 30 November 2023

Largest investments	Sector	% Assets	Country
Taiwan Semiconductor	Information Technology	8.6%	Taiwan
Samsung Electronics	Information Technology	5.5%	South Korea
HDFC Bank	Financials	5.4%	India
Tencent Holdings	Communication Services	3.8%	China
Baidu	Communication Services	3.3%	China
Reliance Industries	Energy	2.8%	India
Alibaba Group	Consumer Discretionary	2.7%	China
Trip.com	Consumer Discretionary	2.6%	China
Yum China Holdings	Consumer Discretionary	2.6%	China
PT Bank Mandiri	Financials	2.4%	Indonesia
SK Hynix	Information Technology	2.4%	South Korea
AIA Group	Financials	2.0%	China
Fomento Economico Mexicano	Consumer Staples	1.8%	Mexico
BDO Unibank	Financials	1.8%	Philippines
MakeMyTrip Limited	Consumer Discretionary	1.8%	India



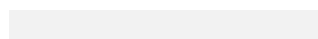
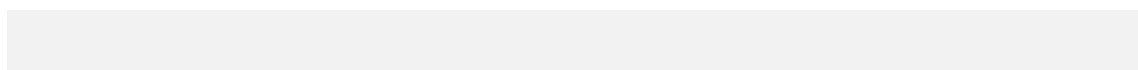
**What was the proportion of sustainability-related investments?**

The objectives of the sustainable investments that the Fund made was to contribute to one or several of the UN SDGs.

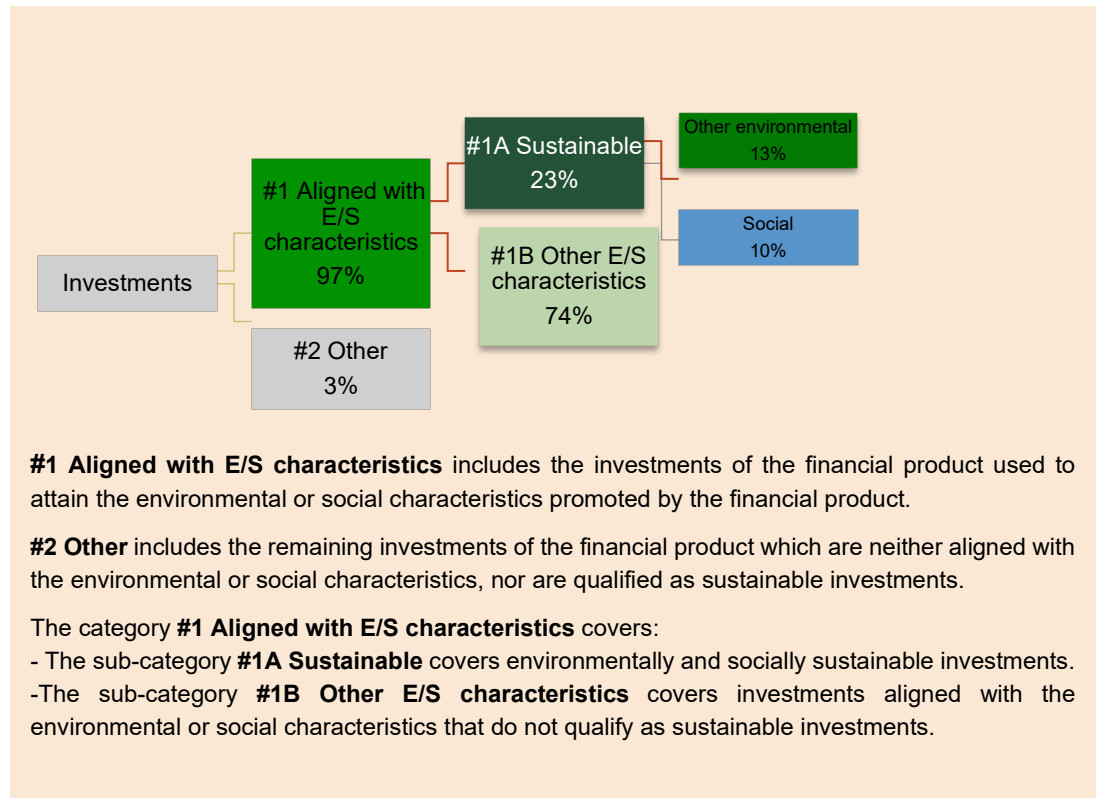
The Investment Manager identified sustainable investments contributing to these objectives. Where the Fund invested in any of these issuers, those issuers were accordingly treated as contributing to the objective of attaining the relevant SDG(s) while also achieving the Fund's investment objectives. Accordingly, 23% of the portfolio was considered sustainable.

**Asset allocation** describes the share of investments in specific assets.

● **What was the asset allocation?**



Sustainable Finance Disclosure Regulation (SFDR) (Unaudited) (Continued)



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**In which economic sectors were the investments made?**

As of 30 November 2023, the Fund was invested in the following economic sectors: Consumer Discretionary:15.5% (Hotels, Restaurants & Leisure - 10.0%, Retail, Apparel & Luxury Goods - 5.5%), Financials:27.1% (Banks - 16.4%, Capital Markets - 5.7%, Insurance - 3.3%, Other Financials - 1.7%), Information Technology:23.9% (Semiconductors & Semiconductor Equipment - 12.1%, Hardware - 6.4%, IT Services - 2.9%, Software - 1.3%, Equipment, Instruments & Components - 1.2%), Communication Services:11.8% (Interactive Media - 9.1%, Entertainment & Media - 2.7%), Consumer Staples:10.0% (Distribution & Retail - 4.2%, Food & Beverages - 4.4%, Personal Care Products - 1.4%), Health Care:1.9% (Providers & Services - 0.7%, Pharmaceuticals - 0.5%, Equipment & Supplies - 0.4%, Life Sciences Tools & Services - 0.3%), Energy:4.4% (Oil & Gas - 2.8%, Equipment & Services - 1.6%), and Industrials:3.7% (Electrical Equipment - 1.2%, Airlines - 1.0%, Transportation Infrastructure & Machinery - 1.5%) with the remaining 1.7% of assets were held in cash and cash equivalents. The Fund did not invest in sectors and sub-sectors of the economy that derive revenues from exploration, mining, extraction, production, processing, storage, refining, or distribution including transportation, storage and trade of fossil fuels save that the Fund invested in three energy sector issuers (representing in aggregate 4.4% of the portfolio) who did derive returns from fossil fuels. Reference to 30 November 2023 is included as from 15 December 2023 the Fund only held cash and cash equivalents in anticipation of the closure of the Fund on 3 January 2024. On this basis, 30 November gives a more accurate indication of the Fund's position.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The portfolio did not commit to making sustainable investments which are aligned with the EU Taxonomy.

Sustainable Finance Disclosure Regulation (SFDR) (Unaudited) (Continued)

As such the Investment Manager disclosed in the Fund's Supplement dated 15 September 2023 for the purposes of the SFDR and EU Taxonomy that the portfolio had a 0% minimum alignment with the EU Taxonomy.

The Investment Manager did not use the EU Taxonomy as a mandatory part of its investment process, and therefore retained the flexibility to invest in sustainable investments which were suitable for the Portfolio, without being tied to a minimum commitment to make Taxonomy-aligned investments. The Investment Manager considered that this approach was consistent with its duty to act in the best interests of Shareholders in the Portfolio.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>**

**Yes:**

In fossil gas

In nuclear energy

**No**

Taxonomy-aligned activities are expressed as a share of:

-**turnover** reflecting the share of revenue from green activities of investee companies.

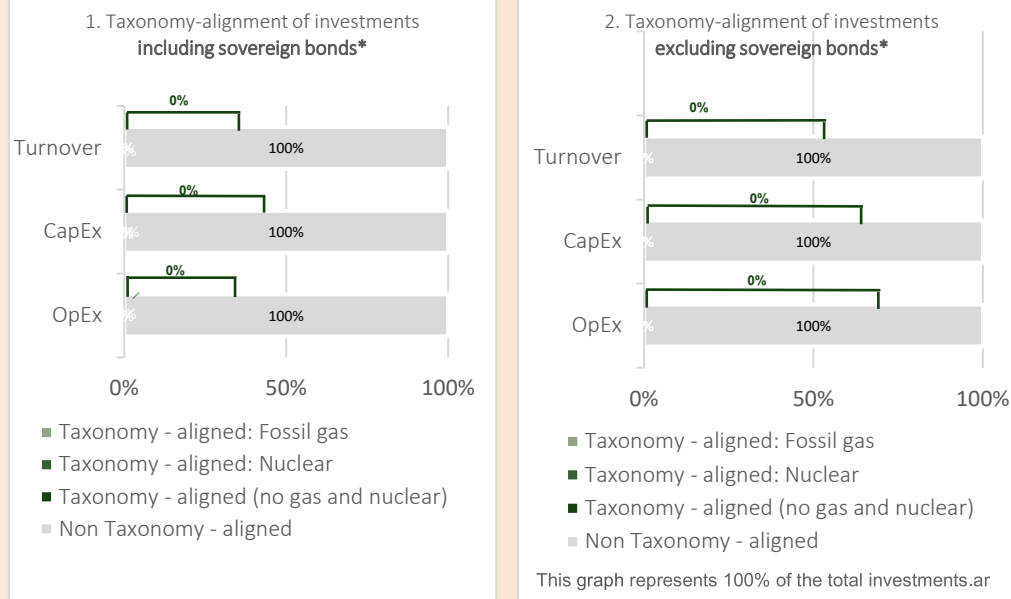
-**capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

-**operational expenditure** (OpEx) reflecting the green operational activities of investee companies.

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Sustainable Finance Disclosure Regulation (SFDR) (Unaudited) (Continued)



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of investments made in transitional and enabling activities?**

The Fund did not commit to make investments that were aligned with the EU Taxonomy. For the referenced period, 0% of the Fund's investments were identified for the purpose of this report as being in transitional and enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable as in the prior reference period



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

All of the sustainable investments of the Fund with an environmental objective were not aligned with EU Taxonomy.



**What was the share of socially sustainable investments?**

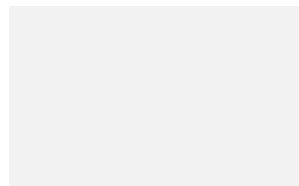
During the period, the Fund invested 10% in companies with a social objective.



**What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

The Fund's holdings in "other" investments during the period was 3%. This was comprised primarily of cash and cash equivalents held for general cash management and efficient portfolio management purposes, but also included securities for which relevant data is not available to sufficiently categorize a company as E or S aligned. Cash and cash equivalents were not subject to minimum environmental or social safeguards. For the securities, as with other investments in

Sustainable Finance Disclosure Regulation (SFDR) (Unaudited) (Continued)



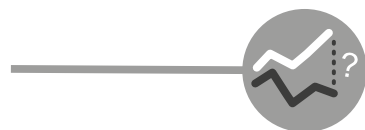
the Fund, the Investment Manager reviewed relevant ESG data that was available and conducted fundamental bottom-up analysis. The Investment Manager's proprietary ESG score helped determine whether additional due diligence or engagement with the company was appropriate to determine the ongoing suitability for the Fund given the Fund's investment strategy and objectives.

**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**



Through analysis of the proprietary quantitative framework and qualitative analysis at the stock level the Investment Manager directs activities to protect and preserve the environment, contribute to positive sustainable outcomes for communities, support a long-term view of service to citizens and more. Likewise, during the reference period the Investment Manager directly engaged with a number of investee company management teams to encourage enhanced environmental and social awareness and activity. Similarly, the Fund's investee companies were encouraged to report on their carbon footprint and reduce their greenhouse gas emissions in line with the Paris Agreement.

**How did this financial product perform compared to the reference benchmark?**



Not applicable. A reference benchmark was not designated for the purpose of attaining or measuring the environmental or social characteristics of the Fund.

● **How does the reference benchmark differ from a broad market index?**

Not applicable.

● **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Not applicable.

● **How did this financial product perform compared with the reference benchmark?**

Not applicable.

● **How did this financial product perform compared with the broad market index?**

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.