

Genesis Investment Management responds to the Board of the Genesis Emerging Markets Fund Limited

1 July 2021 – Genesis Investment Management (“Genesis” or the “Manager”) notes the [announcement](#) made by the Board of the Genesis Emerging Markets Fund (“GEMF” or the “Company”) that it intends to appoint a new investment manager and change the investment policy of GEMF.

Genesis is proud to have successfully managed GEMF for over thirty years. GEMF’s share price has outperformed its benchmark, the MSCI EM (TR) index, since inception and over ten years, five years, three years and one year to 30th June 2021. Over the year to 30th June 2021 GEMF’s share price delivered a return of 30.0% versus 26.4% for the index.¹ £1,000 invested at the IPO of GEMF on 6th July 1989 would now be worth £30,623 with dividends reinvested.

The foundations of Genesis’ success over the last thirty years lie with its long term, consistent and disciplined investment philosophy and process. The firm’s absolute focus on investment performance means resisting any external pressures to amend its approach in return for short term, transient gains. Using derivatives and shorting, as the Board proposes, is a significant change and not one that Genesis would wish to replicate.

Genesis acknowledges the Board’s recognition of its strong position in the institutional market, as well as Genesis’ commitment to a single investment strategy. Genesis’ focus on prioritising investment performance and its careful approach to capacity management does not align well with the Board’s wish to refocus GEMF to target retail investors more overtly.

Throughout its communications with the Board, and in formulating proposals for the future of GEMF, Genesis has always sought to put the wishes of the shareholders ahead of protecting its assets under management. These proposals included an opportunity for investors to exit their investment at close to NAV should they wish.

Arindam Bhattacharjee, Managing Partner at Genesis Investment Management, said: “We are proud to have delivered excess returns for shareholders in the Trust for over three decades, while staying true to our long-term investment approach. The Board’s proposal represents a major change in both investment policy and style of the Trust. Ultimately, the Company belongs to its shareholders, and we believe that their wishes must remain paramount.”

“At Genesis, the foundations of our long-term success remain in place. Our active investment strategy of undertaking deep fundamental research, using a team based approach to unearth long-term investments in quality businesses at attractive prices, remains as relevant today as ever in emerging markets.”

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¹ Figures stated are total return in GBP.