Q3 2026 | STRATEGY PROFILE

TOPIC Emerging Markets

Smarter EM exposure through demographics, momentum, and state-owned-enterprise exclusion

3 Oaks Partners
INVESTMENT COUNSEL

STRATEGY OVERVIEW

The TOPIC Emerging Markets strategy is a satellite allocation, typically 3 to 10 percent, built with smarter-benchmark ETFs rather than a broad index. We exclude state-owned enterprises, which answer to political rather than shareholder priorities, and tilt toward countries and themes with strong demographic tailwinds and positive momentum. The sleeve is intended to add low-correlation diversification and long-run return potential, not to track or beat a developed-market index.

KEY HIGHLIGHTS

- **Construction:** State-owned-enterprise exclusion plus demographic and momentum tilts.
- **Diversification:** Low correlation to U.S. equities; a genuine portfolio diversifier.
- **Role:** A disciplined 3 to 10 percent satellite for long-run growth exposure.
- **Discipline:** Low-cost, liquid ETFs selected on demographics and momentum.

CLIENT CONSIDERATIONS

For investors seeking:

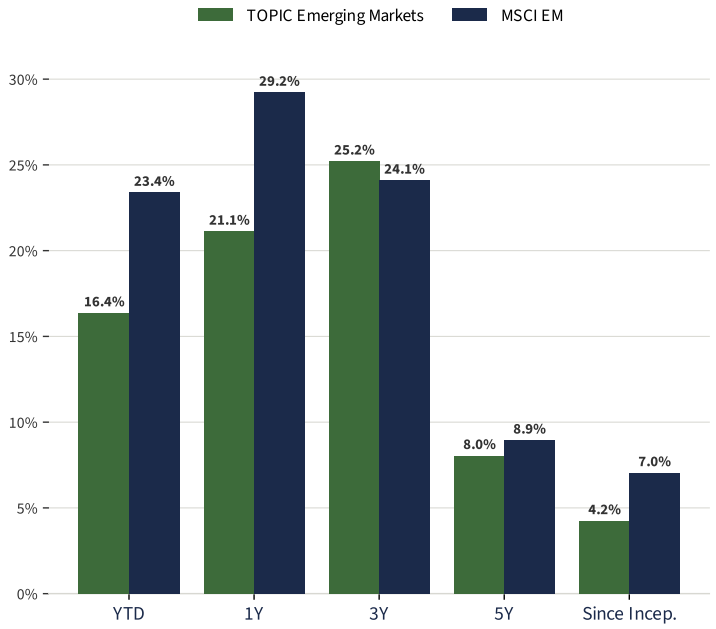
- Long-run growth from emerging-market demographics
- Diversification away from U.S. equities
- A disciplined satellite allocation

Risk tolerance: High. Emerging markets carry currency, political, and liquidity risk and can be volatile; sized accordingly as a satellite.

PERFORMANCE · NET OF FEES · AS OF SEPTEMBER 30, 2026

16.4%	21.1%	25.2%	8.0%	4.2%
2026 YTD	1 YEAR	3 YEAR (ANN.)	5 YEAR (ANN.)	SINCE INCEP. (ANN.)

Net of fees. Periods over one year annualized. Data through September 30, 2026. MSCI EM shown for comparison.



PORTFOLIO RISK

METRIC	PERIOD	EM	MSCI EM
Annualized Return	Since Incep.	4.2%	7.0%
Std Deviation (Ann.)	Since Incep.	18.4%	18.1%
Beta	Since Incep.	0.94	1.00
Correlation vs S&P 500	Since Incep.	0.61	--
Max Drawdown	3-Yr	-9.2%	-13.1%
Sharpe Ratio	3-Yr	1.37	1.14
Sortino Ratio	3-Yr	3.58	2.60
Information Ratio	3-Yr	0.11	--
Up / Down Months	3-Yr	24 / 12	26 / 10
Turnover (1-way)	12-Mo	42%	n/a

OBJECTIVE

Demographics do not lie. We seek low correlation to developed markets and superior long-run return potential by excluding state-owned enterprises and tilting toward favorable demographics and momentum.

TOP 10 HOLDINGS · SEPTEMBER 30, 2026

SYMBOL	NAME	WEIGHT
ECON	Columbia EM Consumer ETF	30%
XSOE	WisdomTree EM ex-State-Owned Enterprises ETF	30%
FLBR	Franklin FTSE Brazil ETF	15%
INCO	Columbia India Consumer ETF	15%
AFK	VanEck Africa Index ETF	10%

Model target weights as of the latest rebalance. ETF-based; low-cost and liquid.

Learn how **TOPIC Emerging Markets** can fit your plan. We pursue outcomes, not benchmarks. Fiduciary advice with institutional discipline.

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TOPIC Emerging Markets

GLOSSARY OF TERMS

Annualized Return: Compound annual growth rate over the period, assuming reinvestment of dividends and distributions.

Standard Deviation: A measure of return variability. Higher figures indicate more volatility around the average. Shown annualized from monthly returns, since inception.

Beta: Sensitivity to the benchmark. A beta of 1.0 moves in line with the index; below 1.0 indicates lower market sensitivity.

Correlation: How closely the strategy's returns move with the benchmark, from -1.0 (opposite) to +1.0 (identical direction).

Max Drawdown: The largest peak-to-trough decline over the trailing 3 years. Shown on a common window for comparability across strategies.

Sharpe Ratio: Return above the risk-free rate per unit of total volatility. Higher is better. Trailing 36 months.

Sortino Ratio: Return per unit of downside volatility, counting only losing months (0% hurdle). Trailing 36 months.

Information Ratio: Excess return over the benchmark divided by tracking error. Measures consistency of active outperformance. Trailing 36 months.

Up / Down Months: Count of positive versus negative monthly returns over the trailing 36 months, portfolio versus benchmark.

Active Share: The percentage of the portfolio that differs from the S&P 500. Higher active share reflects a more differentiated, high-conviction book.

IMPORTANT DISCLOSURES

Performance Data. Performance is net of advisory fees, transaction costs, and other account-level expenses, with dividends reinvested. Through September 2025, returns reflect the AUM-weighted composite of discretionary client accounts in this strategy; from October 2025 forward, returns reflect a single representative account managed solely in this strategy and traded alongside client accounts. Returns are unaudited and not GIPS® compliant; multi-year returns are annualized. Individual results vary with timing, restrictions, contributions, withdrawals, and taxes.

Risk Statistics. Standard deviation, beta, and correlation are computed from the strategy's monthly return series since inception versus MSCI EM. Maximum drawdown, Sharpe ratio, Sortino ratio, information ratio, and up/down month counts reflect the trailing 36 months (or the full period where the record is shorter). Sharpe uses a 4.5% risk-free rate (the average 3-month Treasury bill yield over that period); Sortino uses a 0% hurdle (the risk-free rate through Q2 2026). Figures over other windows, including the full since-inception record, will differ and may be materially larger.

Active Share & Turnover. Active Share is one-half the sum of absolute differences between portfolio and S&P 500 weights, estimated from public index weights and current portfolio weights. Turnover is a one-way estimate from target-weight changes over the trailing twelve months, not annualized. Both are informational.

Benchmark & Risk. MSCI EM is the MSCI Emerging Markets Index (net total return, U.S. dollars). It is shown as a general reference only; it is unmanaged, cannot be invested in directly, and its risk profile differs from the strategy. All investing carries risk, including loss of principal. Emerging-market investing carries currency, political, regulatory, and liquidity risk and can be highly volatile. Low correlation to developed markets is historical and not guaranteed. Sized as a small satellite; suitable only for higher risk tolerance. No strategy guarantees a profit or protects against loss.

General. Informational and educational only; not investment, legal, or tax advice, nor an offer or solicitation to buy or sell any security. Current as of the publication date and subject to change. Consult your financial, legal, and tax advisors before investing.

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