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Asia EM Equity Strategy | Asia Pacific

Flows & Positioning Guide

In September, foreign investors broadly net sold APxJ equities while continuing to buy Japan. End-August positioning data shows active GEM long-only funds increased their active weights in China and Taiwan, funded by South Africa, India and Brazil.

Foreign investors net sold APxJ equities while buying Japan in September, based on stock exchange data: Foreign investors net sold US$17.0bn of Korean equities, US$4.1bn of Indian equities and US$2.3bn of Taiwan equities, alongside net selling in Indonesia and Thailand. In contrast, they net bought US$11.4bn of Japanese equities. In Korea, both retail and foreign investors were net sellers in September. See EM Market Flows for further details and charts.

ETF and mutual fund flows in September (EPFR, as of September 30, 2026): EM equities saw inflows from foreign ETFs, while active foreign funds recorded net outflows (Exhibit 25). Within China, active foreign funds were net sellers, while domestic passive funds were net buyers.

HF activity remained subdued amid macro and geopolitical uncertainty (MS PB Content Group, as of Oct 2, 2026): Gross exposure of Asia hedge funds stands at 127%, near 12-month trough levels. Asia's rebuilding though September remained slower and less consistent than in the US.

GEM long-only investors' market, industry group and stock positioning: In August, GEM long-only investors reduced their underweights in China and Taiwan, funded by increasing underweights in South Africa & India and trimming their Brazil overweight (Exhibit 1). At the industry-group level, investors added to Semis and Energy while reducing Banks, Materials and Tech Hardware. At the stock level, investors increased active weights in TSMC, MediaTek, China Construction Bank and Industrial and Commercial Bank of China, funded by reductions in HDFC Bank, ICICI Bank and Credicorp (Exhibit 14 and Exhibit 17).

Japan's overweight in global portfolios continued to widen as of end-August 2026, according to EPFR: Global long-only allocations to Japan continued to rise, reaching a 20bp overweight at end-August. During the month, active long-only managers added to Commercial & Professional Services, Telcos, Banks and Software & Services, while reducing Capital Goods and Autos. At the stock level, investors increased exposure to Recruit, SoftBank, Sony and Fujitsu, while reducing Daikin, Seven & I and Tokyo Electron. See Japan – Flows and Positioning for more details.

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Exhibit 1 : Active fund positions in EM equities by market and changes in QTD

Market	International & US Funds				International Funds - UCITS			US Funds		
	Portfolio Composite Weight	MSCI EM Index Weight	Active Weight	Active Weight Change QTD	Portfolio Composite Weight	Active Weight	Active Weight Change QTD	Portfolio Composite Weight	Active Weight	Active Weight Change QTD
Brazil	7.3%	3.9%	3.4%	0.1%	6.7%	2.8%	0.1%	7.5%	3.1%	0.1%
Mexico	2.7%	1.7%	1.0%	0.1%	2.3%	0.7%	0.1%	2.8%	1.1%	0.1%
Hungary	1.0%	0.3%	0.7%	0.0%	1.1%	0.8%	0.1%	1.0%	0.8%	0.0%
Greece	1.1%	0.6%	0.5%	0.1%	0.9%	0.3%	0.0%	1.2%	0.8%	0.1%
Peru	0.9%	0.4%	0.5%	0.0%	0.8%	0.3%	0.0%	0.9%	0.5%	0.0%
Indonesia	0.9%	0.5%	0.4%	0.0%	0.9%	0.4%	0.1%	0.9%	0.4%	0.0%
Turkey	0.8%	0.4%	0.3%	0.1%	0.7%	0.3%	0.0%	0.8%	0.5%	-0.1%
Philippines	0.7%	0.3%	0.4%	0.0%	0.3%	0.1%	0.0%	0.8%	0.5%	0.0%
United Arab Emirates	1.4%	1.2%	0.3%	0.1%	1.0%	-0.1%	-0.1%	1.6%	0.4%	0.0%
Korea	21.0%	20.8%	0.1%	-0.3%	22.2%	1.4%	-0.2%	20.5%	-0.3%	-0.9%
Thailand	1.0%	0.9%	0.0%	0.0%	1.1%	0.1%	0.1%	0.9%	0.0%	0.0%
Egypt	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Czech Republic	0.0%	0.1%	-0.1%	0.0%	0.1%	-0.1%	0.0%	0.0%	-0.1%	0.0%
Colombia	0.0%	0.2%	-0.1%	0.0%	0.1%	-0.1%	0.0%	0.0%	-0.2%	0.0%
Poland	1.0%	1.2%	-0.2%	0.0%	1.5%	0.3%	0.1%	0.8%	-0.4%	0.0%
Chile	0.2%	0.5%	-0.3%	0.0%	0.3%	-0.1%	0.0%	0.1%	-0.3%	0.0%
South Africa	2.9%	3.2%	-0.3%	-0.1%	3.2%	0.4%	-0.1%	2.8%	-0.5%	-0.2%
Qatar	0.1%	0.5%	-0.4%	0.0%	0.1%	-0.4%	0.0%	0.1%	-0.4%	0.0%
India	10.8%	11.3%	-0.4%	0.0%	10.2%	-1.1%	0.4%	11.1%	-0.2%	-0.2%
Kuwait	0.0%	0.5%	-0.5%	0.0%	0.1%	-0.4%	0.0%	0.0%	-0.5%	0.0%
China	20.0%	20.6%	-0.6%	0.4%	20.0%	-0.3%	0.0%	20.0%	-0.7%	1.7%
Malaysia	0.3%	1.0%	-0.7%	0.0%	0.5%	-0.4%	-0.1%	0.2%	-0.8%	0.0%
Saudi Arabia	1.3%	2.5%	-1.2%	0.0%	1.0%	-1.5%	0.0%	1.4%	-1.1%	0.0%
Taiwan	24.6%	27.4%	-2.8%	0.4%	24.8%	-2.8%	-0.2%	24.5%	-2.9%	0.1%

Source: FactSet, Morningstar, Morgan Stanley Research. Note: Data as of August 31, 2026. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis.

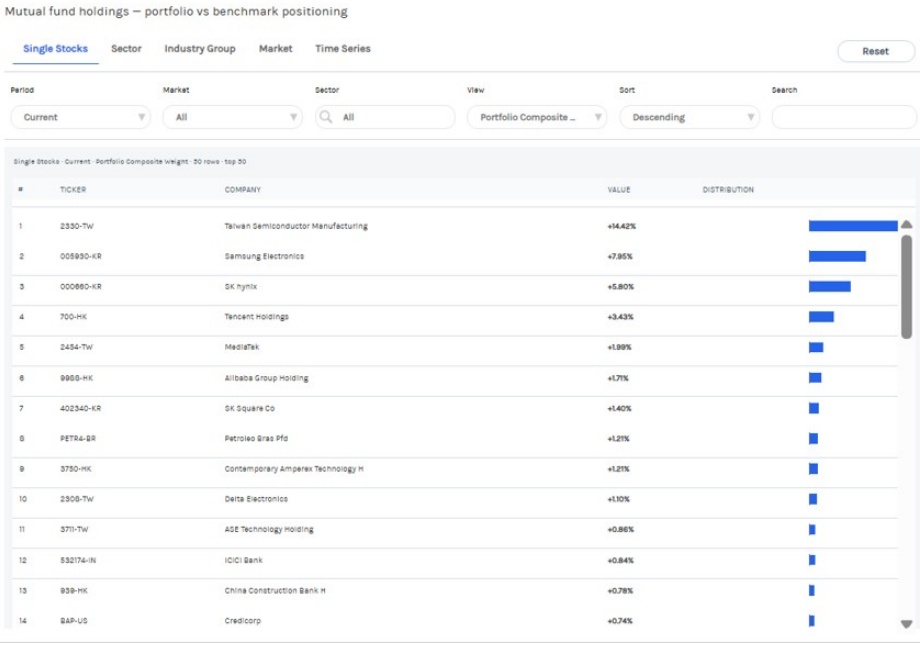
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Positioning Interactives

Exhibit 2



Source: Alphawise Web Intelligence, FactSet, Morningstar, Morgan Stanley Research; Note: "Current" refers to Aug 31, 2026.

Flows & Positioning Signals Monitor

We refresh our flows and positioning signals using the latest available data, applying the framework established in Asia EM Equity Strategy: Exploring Signals from Flows & Positioning - A Practical Guide (21 Apr 2026).

The color coding reflects the signals generated by our framework based on the latest flows and positioning data, rather than the direction of flows or positioning themselves. For example, certain outflows may be associated with a positive return signal in markets where such flows have historically exhibited contrarian characteristics and are linked to stronger subsequent returns.

These indicators are derived solely from flows and positioning data.

Thus, they should be viewed as a complementary input rather than a standalone investment view: We therefore recommend interpreting them alongside our fundamental market outlook, as discussed in Investor Presentation: 2026 Mid-Year Outlook – Higher targets but macro uncertainty remains (12 May 2026).

Exhibit 3: Flows & Positioning Signals Monitor

Indicator	Source	N3M Returns	N3M Vol
KOREA			
GEM Positioning	EPFR		-
Foreign Flows	Korea Exchange (Bloomberg)	-	
Retail Flows	Korea Exchange (Bloomberg)		
CHINA			
Southbound Flows vs HSI	HKEX Stock Connect (CEIC)		-
Private funds AUM vs. A-share small caps	Wind		-
National teams flow vs. CSI 300 Financials	EPFR		-
Active long-only foreign Flows vs MSCI China	EPFR		-
Passive long-only foreign flows vs MSCI China	EPFR		-
Retail Activity vs CSI 300	CEIC	-	
GEM Positioning vs MSCI China	EPFR		-
TAIWAN			
Foreign Flows	Taiwan Stock Exchange	-	
GEM Positioning	EPFR		
INDIA			
Foreign Flows	Central Depository Services (Bloomberg)		-
Domestic Institutional Investor Flows	SEBI, CDSL		
GEM Positioning	EPFR		-
JAPAN			
Foreign Flows	Tokyo Stock Exchange		
Individual Flows	Tokyo Stock Exchange		
Long-Only Positioning (Global)	EPFR	-	-

Signals from historical backtesting:	
Better Forward Return / Lower Volatility	
Neutral/Mixed	
Weaker Forward Return / Higher Volatility	
No Signal	-

Source: Morgan Stanley Research; Note: For additional details on the framework and market-specific dynamics, see Asia EM Equity Strategy: Exploring Signals from Flows & Positioning - A Practical Guide (21 Apr 2026). The signals are derived from historical back-testing and may not be indicative of future performance. They are intended as a supplementary input and do not override our fundamental views within the regional market allocation framework.

EM Fund Positioning

Market-level Positioning Dynamics

Morningstar

Exhibit 4: Active fund positions in EM equities by market and changes in QTD

	International & US Funds				International Funds - UCITS			US Funds		
Market	Portfolio Composite Weight	MSCI EM Index Weight	Active Weight	Active Weight Change QTD	Portfolio Composite Weight	Active Weight	Active Weight Change QTD	Portfolio Composite Weight	Active Weight	Active Weight Change QTD
Brazil	**7.3%**	3.9%	3.4%	0.3%	6.7%	2.8%	0.3%	7.5%	3.6%	0.2%
Mexico	**2.7%**	1.7%	1.0%	0.1%	2.3%	0.7%	0.1%	2.8%	1.1%	0.1%
Hungary	**1.0%**	0.3%	0.7%	0.0%	1.1%	0.8%	0.1%	1.0%	0.6%	0.0%
Greece	**1.1%**	0.6%	0.5%	0.1%	0.9%	0.3%	0.0%	1.2%	0.6%	0.1%
Peru	**0.9%**	0.4%	0.5%	0.0%	0.8%	0.4%	0.0%	0.9%	0.5%	0.0%
Indonesia	**0.9%**	0.5%	0.4%	0.0%	0.9%	0.4%	0.1%	0.9%	0.4%	0.0%
Turkey	**0.8%**	0.4%	0.4%	0.0%	0.7%	0.3%	0.0%	0.8%	0.5%	-0.1%
Philippines	**0.7%**	0.3%	0.4%	0.0%	0.3%	0.1%	0.0%	0.8%	0.5%	0.0%
United Arab Emirates	**1.4%**	1.2%	0.3%	0.0%	1.0%	-0.1%	-0.1%	1.6%	0.4%	0.0%
Korea	**21.0%**	20.8%	0.1%	-0.3%	22.2%	1.4%	-0.6%	20.5%	-0.3%	-0.9%
Thailand	**1.0%**	0.9%	0.0%	0.0%	1.1%	0.1%	0.1%	0.9%	0.0%	0.0%
Egypt	**0.1%**	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Czech Republic	**0.0%**	0.1%	-0.1%	0.0%	0.1%	-0.1%	0.0%	0.0%	-0.1%	0.0%
Colombia	**0.0%**	0.2%	-0.1%	0.0%	0.1%	-0.1%	0.0%	0.0%	-0.2%	0.0%
Poland	**1.0%**	1.2%	-0.2%	0.0%	1.5%	0.3%	0.1%	0.8%	-0.4%	0.0%
Chile	**0.2%**	0.5%	-0.3%	0.0%	0.3%	-0.1%	0.0%	0.1%	-0.3%	0.0%
South Africa	**2.9%**	3.2%	-0.3%	-0.2%	3.2%	0.0%	-0.1%	2.8%	-0.5%	-0.2%
Qatar	**0.1%**	0.5%	-0.4%	0.0%	0.1%	-0.4%	0.0%	0.1%	-0.4%	0.0%
India	**10.8%**	11.3%	-0.4%	0.0%	10.2%	-1.1%	0.4%	11.1%	-0.2%	-0.2%
Kuwait	**0.0%**	0.5%	-0.5%	0.0%	0.1%	-0.4%	0.0%	0.0%	-0.5%	0.0%
China	**20.0%**	20.6%	-0.6%	0.8%	20.0%	-0.6%	0.0%	20.0%	-0.7%	1.0%
Malaysia	**0.3%**	1.0%	-0.7%	0.0%	0.5%	-0.4%	-0.1%	0.2%	-0.8%	0.0%
Saudi Arabia	**1.3%**	2.5%	-1.2%	0.0%	1.0%	-1.5%	0.0%	1.4%	-1.1%	0.0%
Taiwan	**24.6%**	27.4%	-2.8%	0.0%	24.8%	-2.6%	-0.2%	24.5%	-2.9%	0.1%

Source: FactSet, Morningstar, Morgan Stanley Research. Note: Data as of August 31, 2026. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis.

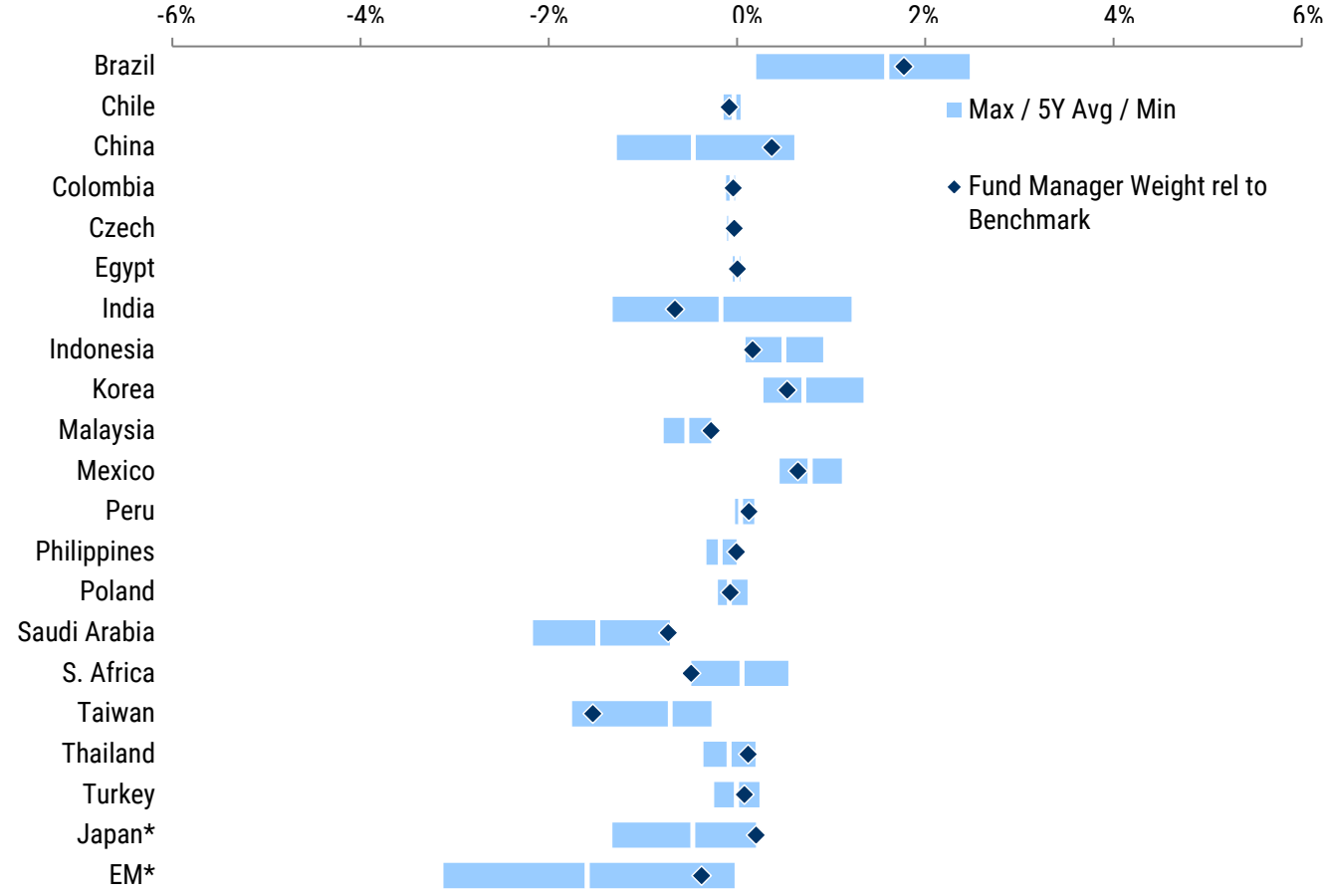
Exhibit 5: Active fund positions in EM equities by market and changes in 2026 YTD

	International & US Funds				International Funds - UCITS			US Funds		
Market	Portfolio Composite Weight	MSCI EM Index Weight	Active Weight	Active Weight Change YTD 26	Portfolio Composite Weight	Active Weight	Active Weight Change YTD 26	Portfolio Composite Weight	Active Weight	Active Weight Change YTD 26
Brazil	**7.3%**	3.9%	3.4%	-0.2%	6.7%	2.8%	0.1%	7.5%	3.6%	-0.3%
Mexico	**2.7%**	1.7%	1.0%	-0.1%	2.3%	0.7%	-0.1%	2.8%	1.1%	-0.1%
Hungary	**1.0%**	0.3%	0.7%	0.1%	1.1%	0.8%	0.1%	1.0%	0.6%	0.1%
Greece	**1.1%**	0.6%	0.5%	-0.1%	0.9%	0.3%	-0.3%	1.2%	0.6%	0.0%
Peru	**0.9%**	0.4%	0.5%	0.0%	0.8%	0.4%	0.1%	0.9%	0.5%	-0.1%
Indonesia	**0.9%**	0.5%	0.4%	-0.1%	0.9%	0.4%	-0.1%	0.9%	0.4%	-0.2%
Turkey	**0.8%**	0.4%	0.4%	0.2%	0.7%	0.3%	0.0%	0.8%	0.5%	0.2%
Philippines	**0.7%**	0.3%	0.4%	0.1%	0.3%	0.1%	0.0%	0.8%	0.5%	0.1%
United Arab Emirates	**1.4%**	1.2%	0.3%	-0.1%	1.0%	-0.1%	-0.3%	1.6%	0.4%	0.0%
Korea	**21.0%**	20.8%	0.1%	-0.9%	22.2%	1.4%	-0.8%	20.5%	-0.3%	-1.0%
Thailand	**1.0%**	0.9%	0.0%	-0.1%	1.1%	0.1%	0.0%	0.9%	0.0%	-0.1%
Egypt	**0.1%**	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Czech Republic	**0.0%**	0.1%	-0.1%	0.0%	0.1%	-0.1%	0.0%	0.0%	-0.1%	0.0%
Colombia	**0.0%**	0.2%	-0.1%	0.0%	0.1%	-0.1%	-0.1%	0.0%	-0.2%	0.0%
Poland	**1.0%**	1.2%	-0.2%	0.1%	1.5%	0.3%	0.1%	0.8%	-0.4%	0.1%
Chile	**0.2%**	0.5%	-0.3%	0.0%	0.3%	-0.1%	0.1%	0.1%	-0.3%	0.0%
South Africa	**2.9%**	3.2%	-0.3%	-0.1%	3.2%	0.0%	-0.3%	2.8%	-0.5%	-0.1%
Qatar	**0.1%**	0.5%	-0.4%	0.2%	0.1%	-0.4%	0.2%	0.1%	-0.4%	0.2%
India	**10.8%**	11.3%	-0.4%	-0.5%	10.2%	-1.1%	0.7%	11.1%	-0.2%	-1.0%
Kuwait	**0.0%**	0.5%	-0.5%	0.1%	0.1%	-0.4%	0.1%	0.0%	-0.5%	0.1%
China	**20.0%**	20.6%	-0.6%	2.5%	20.0%	-0.6%	2.0%	20.0%	-0.7%	2.7%
Malaysia	**0.3%**	1.0%	-0.7%	0.2%	0.5%	-0.4%	0.2%	0.2%	-0.8%	0.2%
Saudi Arabia	**1.3%**	2.5%	-1.2%	0.1%	1.0%	-1.5%	0.1%	1.4%	-1.1%	0.1%
Taiwan	**24.6%**	27.4%	-2.8%	-1.2%	24.8%	-2.6%	-1.3%	24.5%	-2.9%	-1.0%

Source: FactSet, Morningstar, Morgan Stanley Research. Note: Data as of August 31, 2026. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis.

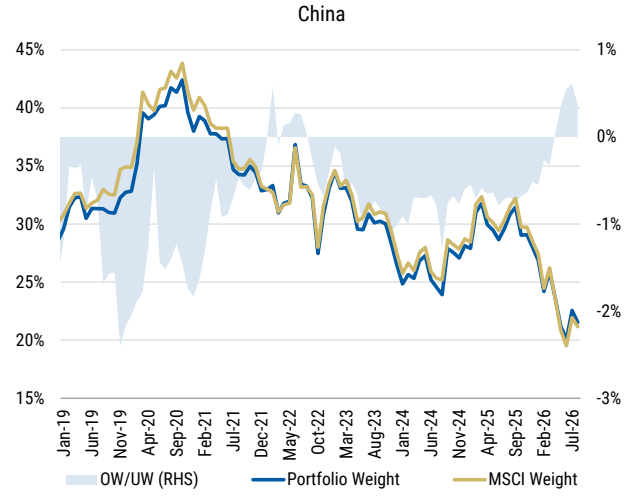
EPFR

Exhibit 6: EPFR EM Fund Managers' Relative Market Allocation vs. History



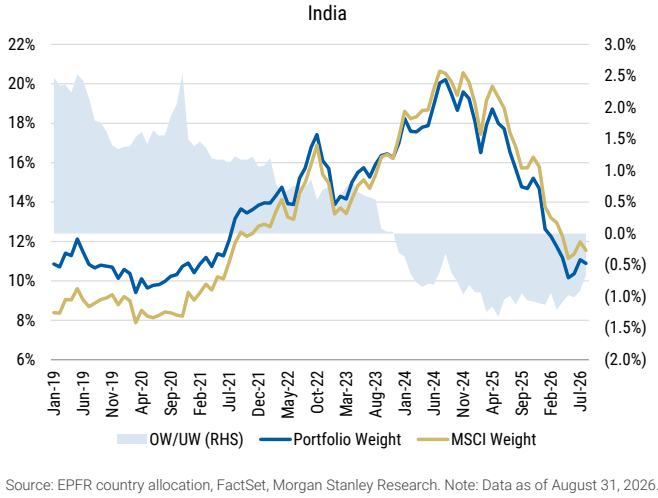
Source: EPFR Global, Morgan Stanley Research. Note: Data as of Aug 31, 2026. *Japan and EM fund weight in global funds. Note: Monthly data is available on the 24th of the next month.

Exhibit 7: GEM Fund Managers' Portfolio Weight in China vs. MSCI Weight



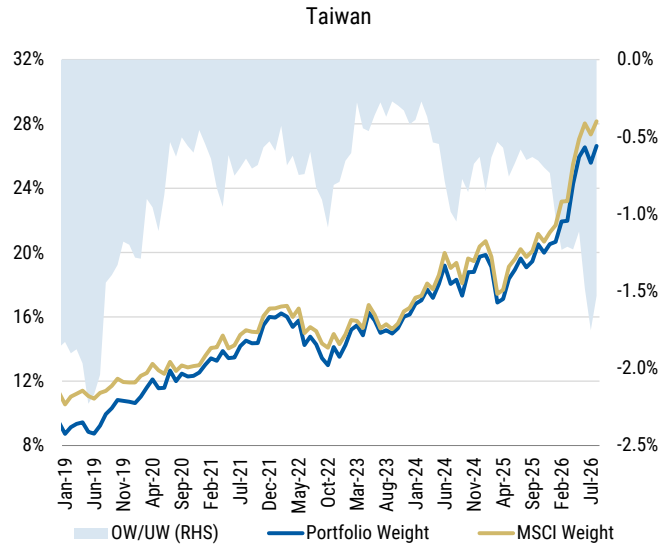
Source: EPFR country allocation, FactSet, Morgan Stanley Research. Note: Data as of August 31, 2026.

Exhibit 8: GEM Fund Managers' Portfolio Weight in India vs. MSCI Weight



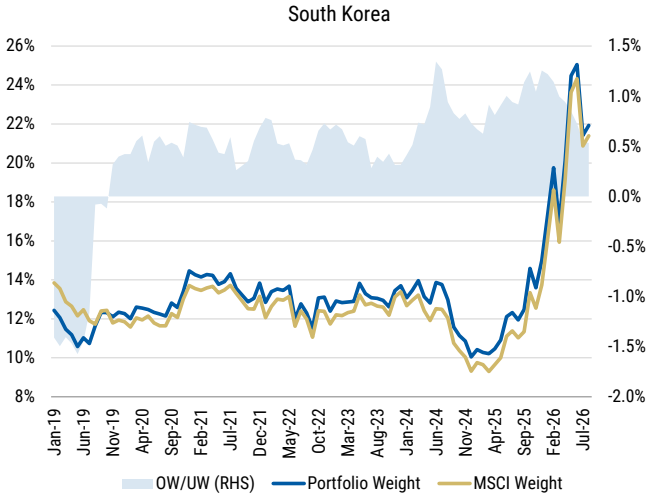
Source: EPFR country allocation, FactSet, Morgan Stanley Research. Note: Data as of August 31, 2026.

Exhibit 9: GEM Fund Managers' Portfolio Weight in Taiwan vs. MSCI Weight



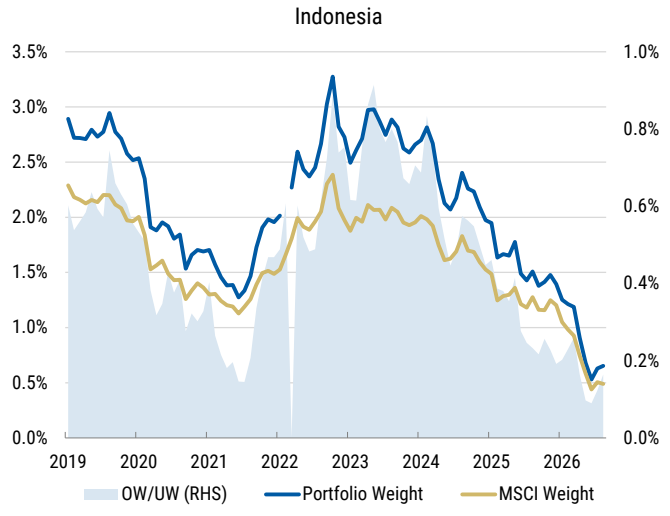
Source: EPFR country allocation, FactSet, Morgan Stanley Research. Note: Data as of August 31, 2026.

Exhibit 10: GEM Fund Managers' Portfolio Weight in South Korea vs. MSCI Weight



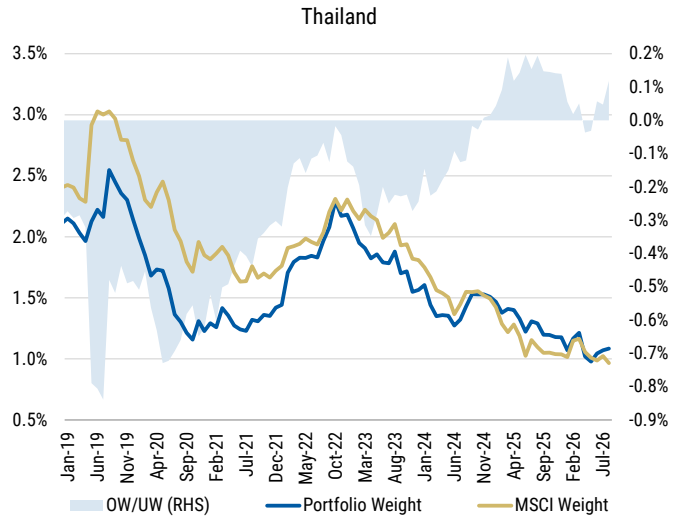
Source: EPFR country allocation, FactSet, Morgan Stanley Research. Note: Data as of August 31, 2026.

Exhibit 11: GEM Fund Managers' Portfolio Weight in Indonesia vs. MSCI Weight



Source: EPFR country allocation, FactSet, Morgan Stanley Research. Note: Data as of August 31, 2026.

Exhibit 12: GEM Fund Managers' Portfolio Weight in Thailand vs. MSCI Weight



Source: EPFR country allocation, FactSet, Morgan Stanley Research. Note: Data as of August 31, 2026

Sector and Industry Group Positioning Dynamics

Exhibit 13: Active fund positions in EM equities by GICS sector and changes in QTD

	International & US Funds				International Funds - UCITS			US Funds		
GICS Sector	Portfolio Composite Weight	MSCI EM Index Weight	Active Weight	Active Weight Change QTD	Portfolio Composite Weight	Active Weight	Active Weight Change QTD	Portfolio Composite Weight	Active Weight	Active Weight Change QTD
Industrials	**9.8%**	6.5%	3.3%	-0.4%	9.2%	2.7%	-0.1%	10.1%	3.5%	-0.5%
Communication Services	**6.7%**	6.1%	0.6%	0.2%	5.7%	-0.4%	-0.1%	7.1%	1.0%	0.3%
Energy	**3.8%**	3.4%	0.4%	0.3%	2.4%	-1.0%	0.0%	4.3%	0.9%	0.4%
Consumer Staples	**3.1%**	2.7%	0.3%	0.0%	2.8%	0.0%	0.1%	3.2%	0.4%	0.0%
Health Care	**2.9%**	2.7%	0.2%	0.2%	2.9%	0.2%	0.2%	2.9%	0.2%	0.1%
Utilities	**1.9%**	1.9%	0.1%	-0.1%	1.3%	-0.5%	0.1%	2.1%	0.3%	-0.1%
Real Estate	**1.0%**	1.0%	0.0%	0.0%	1.1%	0.1%	0.0%	0.9%	-0.1%	0.0%
Financials	**19.4%**	19.7%	-0.3%	-0.1%	21.0%	1.3%	0.4%	18.8%	-0.9%	-0.4%
Consumer Discretionary	**7.4%**	8.0%	-0.6%	0.0%	9.1%	1.1%	0.1%	6.8%	-1.2%	-0.1%
Materials	**4.7%**	6.3%	-1.6%	-0.1%	4.3%	-2.0%	-0.2%	4.9%	-1.4%	-0.1%
Information Technology	**39.2%**	41.6%	-2.3%	0.0%	40.1%	-1.5%	-0.6%	38.9%	-2.6%	0.3%

Source: FactSet, Morningstar, Morgan Stanley Research. Note: Data as of August 31, 2026. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis.

Exhibit 14: Active fund positions in EM equities by GICS Industry Group and changes in QTD

	International & US Funds				International Funds - UCITS			US Funds		
GICS Industry Group	Portfolio Composite Weight	MSCI EM Index Weight	Active Weight	Active Weight Change QTD	Portfolio Composite Weight	Active Weight	Active Weight Change QTD	Portfolio Composite Weight	Active Weight	Active Weight Change QTD
Capital Goods	**7.9%**	5.1%	2.8%	-0.4%	7.7%	2.6%	-0.2%	8.0%	2.8%	-0.5%
Media & Entertainment	**4.6%**	4.1%	0.5%	0.2%	3.9%	-0.3%	0.0%	4.9%	0.8%	0.3%
Consumer Durables & Apparel	**1.2%**	0.7%	0.4%	0.1%	1.3%	0.6%	0.0%	1.1%	0.4%	0.1%
Financial Services	**2.8%**	2.4%	0.4%	0.1%	3.1%	0.8%	0.2%	2.7%	0.3%	0.0%
Transportation	**1.7%**	1.3%	0.4%	0.0%	1.3%	-0.1%	0.1%	1.9%	0.5%	0.0%
Energy	**3.8%**	3.4%	0.4%	0.3%	2.4%	-1.0%	0.0%	4.3%	0.9%	0.4%
Semiconductors & Semiconductor Equipment	**25.0%**	24.7%	0.3%	0.0%	22.2%	-2.5%	-0.5%	26.0%	1.3%	0.2%
Consumer Staples Distribution & Retail	**0.8%**	0.7%	0.2%	0.0%	0.8%	0.1%	0.0%	0.9%	0.2%	0.0%
Health Care Equipment & Services	**0.6%**	0.5%	0.2%	0.0%	0.6%	0.1%	0.0%	0.6%	0.2%	0.0%
Commercial & Professional Services	**0.2%**	0.1%	0.2%	0.0%	0.2%	0.1%	0.0%	0.2%	0.2%	0.0%
Food Beverage & Tobacco	**1.9%**	1.7%	0.1%	-0.1%	1.6%	-0.1%	0.0%	2.0%	0.2%	-0.1%
Telecommunication Services	**2.1%**	2.0%	0.1%	0.0%	1.8%	-0.2%	-0.1%	2.2%	0.2%	0.0%
Utilities	**1.9%**	1.9%	0.1%	-0.1%	1.3%	-0.5%	0.1%	2.1%	0.3%	-0.1%
Pharmaceuticals Biotechnology & Life Sciences	**2.3%**	2.3%	0.0%	0.1%	2.4%	0.1%	0.2%	2.3%	0.0%	0.1%
Household & Personal Products	**0.4%**	0.3%	0.0%	0.1%	0.4%	0.1%	0.1%	0.3%	0.0%	0.1%
Equity Real Estate Investment Trusts (REITs)	**0.1%**	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%
Real Estate Management & Development	**0.9%**	0.9%	0.0%	0.0%	1.1%	0.1%	0.0%	0.8%	-0.1%	0.0%
Consumer Services	**1.0%**	1.2%	-0.2%	0.0%	1.1%	-0.1%	0.0%	0.9%	-0.3%	0.0%
Insurance	**2.4%**	2.7%	-0.3%	-0.1%	2.6%	-0.1%	-0.1%	2.3%	-0.3%	-0.1%
Consumer Discretionary Distribution & Retail	**3.2%**	3.6%	-0.4%	-0.1%	3.8%	0.2%	0.0%	3.0%	-0.6%	-0.1%
Automobiles & Components	**2.1%**	2.5%	-0.4%	0.0%	2.9%	0.4%	0.1%	1.8%	-0.7%	-0.1%
Banks	**14.2%**	14.7%	-0.4%	-0.1%	15.3%	0.6%	0.3%	13.8%	-0.9%	-0.3%
Software & Services	**0.6%**	1.1%	-0.5%	0.0%	0.8%	-0.3%	0.0%	0.5%	-0.6%	0.0%
Materials	**4.7%**	6.3%	-1.6%	-0.1%	4.3%	-2.0%	-0.2%	4.9%	-1.4%	-0.1%
Technology Hardware & Equipment	**13.7%**	15.8%	-2.1%	0.0%	17.1%	1.3%	0.0%	12.4%	-3.4%	0.0%

Source: FactSet, Morningstar, Morgan Stanley Research. Note: Data as of August 31, 2026. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis.

Exhibit 15: Active fund positions in EM equities by GICS Sector and changes in 2026 YTD

	International & US Funds				International Funds - UCITS			US Funds		
GICS Sector	Portfolio Composite Weight	MSCI EM Index Weight	Active Weight	Active Weight Change YTD 26	Portfolio Composite Weight	Active Weight	Active Weight Change YTD 26	Portfolio Composite Weight	Active Weight	Active Weight Change YTD 26
Industrials	**9.8%**	6.5%	3.3%	1.6%	9.2%	2.7%	1.1%	10.1%	3.5%	1.7%
Communication Services	**6.7%**	6.1%	0.6%	0.1%	5.7%	-0.4%	-0.2%	7.1%	1.0%	0.2%
Energy	**3.8%**	3.4%	0.4%	0.9%	2.4%	-1.0%	0.6%	4.3%	0.9%	1.0%
Consumer Staples	**3.1%**	2.7%	0.3%	-0.4%	2.8%	0.0%	0.2%	3.2%	0.4%	-0.6%
Health Care	**2.9%**	2.7%	0.2%	0.4%	2.9%	0.2%	0.6%	2.9%	0.2%	0.4%
Utilities	**1.9%**	1.9%	0.1%	0.5%	1.3%	-0.5%	0.4%	2.1%	0.3%	0.5%
Real Estate	**1.0%**	1.0%	0.0%	0.0%	1.1%	0.1%	0.0%	0.9%	-0.1%	0.0%
Financials	**19.4%**	19.7%	-0.3%	-1.0%	21.0%	1.3%	-0.4%	18.8%	-0.9%	-1.2%
Consumer Discretionary	**7.4%**	8.0%	-0.6%	-0.1%	9.1%	1.1%	-0.1%	6.8%	-1.2%	-0.1%
Materials	**4.7%**	6.3%	-1.6%	0.8%	4.3%	-2.0%	0.9%	4.9%	-1.4%	0.8%
Information Technology	**39.2%**	41.6%	-2.3%	-2.8%	40.1%	-1.5%	-3.0%	38.9%	-2.6%	-2.8%

Source: FactSet, Morningstar, Morgan Stanley Research. Note: Data as of August 31, 2026. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis.

Exhibit 16: Active fund positions in EM equities by GICS Industry Group and changes in 2026 YTD

	International & US Funds				International Funds - UCITS			US Funds		
GICS Industry Group	Portfolio Composite Weight	MSCI EM Index Weight	Active Weight	Active Weight Change YTD 26	Portfolio Composite Weight	Active Weight	Active Weight Change YTD 26	Portfolio Composite Weight	Active Weight	Active Weight Change YTD 26
Capital Goods	**7.9%**	5.1%	2.8%	1.5%	7.7%	2.6%	1.3%	8.0%	2.8%	1.5%
Media & Entertainment	**4.6%**	4.1%	0.5%	0.2%	3.9%	-0.3%	-0.1%	4.9%	0.8%	0.3%
Consumer Durables & Apparel	**1.2%**	0.7%	0.4%	0.0%	1.3%	0.6%	-0.2%	1.1%	0.4%	0.1%
Financial Services	**2.8%**	2.4%	0.4%	-0.1%	3.1%	0.8%	0.1%	2.7%	0.3%	-0.1%
Transportation	**1.7%**	1.3%	0.4%	0.0%	1.3%	-0.1%	-0.3%	1.9%	0.5%	0.1%
Energy	**3.8%**	3.4%	0.4%	0.9%	2.4%	-1.0%	0.6%	4.3%	0.9%	1.0%
Semiconductors & Semiconductor Equipment	**25.0%**	24.7%	0.3%	-1.9%	22.2%	-2.5%	-3.1%	26.0%	1.3%	-1.4%
Consumer Staples Distribution & Retail	**0.8%**	0.7%	0.2%	-0.2%	0.8%	0.1%	-0.2%	0.9%	0.2%	-0.2%
Health Care Equipment & Services	**0.6%**	0.5%	0.2%	0.0%	0.6%	0.1%	0.0%	0.6%	0.2%	0.0%
Commercial & Professional Services	**0.2%**	0.1%	0.2%	0.1%	0.2%	0.1%	0.1%	0.2%	0.2%	0.1%
Food Beverage & Tobacco	**1.9%**	1.7%	0.1%	-0.5%	1.6%	-0.1%	0.1%	2.0%	0.2%	-0.7%
Telecommunication Services	**2.1%**	2.0%	0.1%	-0.1%	1.8%	-0.2%	-0.1%	2.2%	0.2%	-0.1%
Utilities	**1.9%**	1.9%	0.1%	0.5%	1.3%	-0.5%	0.4%	2.1%	0.3%	0.5%
Pharmaceuticals Biotechnology & Life Sciences	**2.3%**	2.3%	0.0%	0.5%	2.4%	0.1%	0.6%	2.3%	0.0%	0.4%
Household & Personal Products	**0.4%**	0.3%	0.0%	0.3%	0.4%	0.1%	0.3%	0.3%	0.0%	0.3%
Equity Real Estate Investment Trusts (REITs)	**0.1%**	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%
Real Estate Management & Development	**0.9%**	0.9%	0.0%	0.0%	1.1%	0.1%	0.0%	0.8%	-0.1%	0.0%
Consumer Services	**1.0%**	1.2%	-0.2%	-0.3%	1.1%	-0.1%	0.0%	0.9%	-0.3%	-0.5%
Insurance	**2.4%**	2.7%	-0.3%	-0.3%	2.6%	-0.1%	-0.3%	2.3%	-0.5%	-0.3%
Consumer Discretionary Distribution & Retail	**3.2%**	3.6%	-0.4%	0.1%	3.8%	0.2%	-0.2%	3.0%	-0.6%	0.2%
Automobiles & Components	**2.1%**	2.5%	-0.4%	0.2%	2.9%	0.4%	0.4%	1.8%	-0.7%	0.1%
Banks	**14.2%**	14.7%	-0.4%	-0.6%	15.3%	0.6%	-0.1%	13.8%	-0.9%	-0.8%
Software & Services	**0.6%**	1.1%	-0.5%	0.3%	0.8%	-0.3%	0.3%	0.5%	-0.6%	0.3%
Materials	**4.7%**	6.3%	-1.6%	0.8%	4.3%	-2.0%	0.9%	4.9%	-1.4%	0.8%
Technology Hardware & Equipment	**13.7%**	15.8%	-2.1%	-1.2%	17.1%	1.3%	-0.2%	12.4%	-3.4%	-1.7%

Source: FactSet, Morningstar, Morgan Stanley Research. Note: Data as of August 31, 2026. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis.

Single Stock Dynamics

Exhibit 17: Top 50 holdings among long-only EM active managers and changes QTD

			International & US Funds				International Funds - UCITS			US Funds		
Ticker	Company Name	GICS Industry Group	Portfolio Composite Weight	MSCI EM Index Weight	Active Weight	Active Weight Change QTD	Portfolio Composite Weight	Active Weight	Active Weight Change QTD	Portfolio Composite Weight	Active Weight	Active Weight Change QTD
2330-TW	Taiwan Semiconductor Manufac	Semiconductors & Semiconductor Equipment	**14.4%**	15.1%	-0.7%	0.2%	10.7%	-4.4%	-0.2%	15.8%	0.7%	0.4%
005930-KR	Samsung Electronics	Technology Hardware & Equipment	**8.0%**	8.1%	-0.1%	-0.2%	8.8%	0.8%	-0.5%	7.6%	-0.5%	0.0%
000660-KR	SK hynix	Semiconductors & Semiconductor Equipment	**5.8%**	5.5%	0.3%	-0.1%	5.5%	0.0%	0.1%	5.9%	0.5%	-0.2%
700-HK	Tencent Holdings	Media & Entertainment	**3.4%**	2.9%	0.5%	0.2%	3.0%	0.1%	0.1%	3.6%	0.7%	0.2%
2454-TW	MediaTek	Semiconductors & Semiconductor Equipment	**2.0%**	1.4%	0.5%	0.1%	1.7%	0.3%	0.0%	2.1%	0.6%	0.1%
9988-HK	Alibaba Group Holding	Consumer Discretionary Distribution & Retail	**1.7%**	2.0%	-0.3%	-0.1%	1.7%	-0.3%	-0.1%	1.7%	-0.3%	-0.1%
402340-KR	SK Square Co	Capital Goods	**1.4%**	0.6%	0.8%	-0.6%	1.2%	0.6%	-0.3%	1.5%	0.9%	-0.8%
PETR4-BR	Petroleo Bras Pfd	Energy	**1.2%**	0.6%	0.6%	0.1%	0.8%	0.2%	0.0%	1.4%	0.8%	0.2%
3750-HK	Contemporary Amperex Techno	Capital Goods	**1.2%**	0.2%	1.0%	0.1%	1.3%	1.0%	0.0%	1.2%	1.0%	0.1%
2308-TW	Delta Electronics	Technology Hardware & Equipment	**1.1%**	0.9%	0.2%	-0.1%	1.2%	0.3%	-0.1%	1.1%	0.1%	-0.1%
3711-TW	ASE Technology Holding	Semiconductors & Semiconductor Equipment	**0.9%**	0.5%	0.4%	-0.1%	1.1%	0.6%	0.0%	0.8%	0.3%	-0.1%
532174-IN	ICICI Bank	Banks	**0.8%**	0.7%	0.2%	0.0%	1.0%	0.3%	0.2%	0.8%	0.1%	-0.1%
939-HK	China Construction Bank H	Banks	**0.8%**	0.8%	-0.1%	0.1%	0.7%	-0.2%	0.1%	0.8%	0.0%	0.1%
BAP-US	Credicorp	Banks	**0.7%**	0.2%	0.5%	0.0%	0.5%	0.3%	0.0%	0.8%	0.6%	0.0%
NU-US	Nu Holdings A	Banks	**0.7%**	0.4%	0.3%	0.1%	0.9%	0.5%	0.1%	0.7%	0.2%	0.1%
9999-HK	NetEase	Media & Entertainment	**0.7%**	0.3%	0.4%	0.1%	0.6%	0.2%	0.0%	0.8%	0.4%	0.1%
532454-IN	Bharti Airtel	Telecommunication Services	**0.7%**	0.4%	0.3%	0.0%	0.5%	0.0%	0.0%	0.8%	0.4%	0.0%
500180-IN	HDFC Bank Ltd	Banks	**0.7%**	0.7%	0.0%	-0.1%	0.6%	0.0%	0.0%	0.7%	0.0%	-0.1%
OTP-HU	OTP Bank	Banks	**0.7%**	0.3%	0.4%	0.0%	0.7%	0.5%	0.0%	0.7%	0.4%	0.0%
GFNORTEO-M	Grupo Financiero Banorte O	Banks	**0.6%**	0.2%	0.4%	0.0%	0.7%	0.5%	0.0%	0.6%	0.4%	0.0%
500325-IN	Reliance Industries	Energy	**0.6%**	0.7%	-0.1%	0.1%	0.3%	-0.4%	0.0%	0.7%	0.0%	0.1%
VALE3-BR	Vale	Materials	**0.6%**	0.4%	0.1%	0.0%	0.3%	-0.1%	0.0%	0.7%	0.2%	0.0%
ITUB4-BR	Itauunibanco Pfd N1	Banks	**0.6%**	0.4%	0.2%	0.0%	0.5%	0.1%	0.0%	0.6%	0.2%	0.0%
2383-TW	Elite Material	Technology Hardware & Equipment	**0.5%**	0.4%	0.1%	0.0%	0.7%	0.3%	-0.1%	0.5%	0.1%	0.0%
2317-TW	Hon Hai Precision	Technology Hardware & Equipment	**0.5%**	0.8%	-0.3%	0.1%	0.7%	-0.1%	0.1%	0.4%	-0.3%	0.1%
2899-HK	Zijin Mining Grp Co Ltd H	Materials	**0.5%**	0.3%	0.2%	0.1%	0.5%	0.2%	0.1%	0.5%	0.3%	0.1%
105560-KR	KB Financial Group	Banks	**0.5%**	0.4%	0.1%	0.0%	0.5%	0.1%	0.0%	0.5%	0.2%	0.1%
2345-TW	Accton Technology	Technology Hardware & Equipment	**0.5%**	0.3%	0.2%	0.0%	0.6%	0.4%	-0.1%	0.4%	0.2%	0.0%
2318-HK	Ping An Insurance Group H	Insurance	**0.5%**	0.4%	0.1%	0.0%	0.6%	0.2%	-0.1%	0.4%	0.0%	0.0%
GMEXICOB-M	Grupo Mexico B	Materials	**0.5%**	0.3%	0.2%	0.0%	0.4%	0.1%	0.0%	0.5%	0.2%	0.0%
ICT-PH	International Container Termina	Transportation	**0.5%**	0.1%	0.4%	0.0%	0.1%	0.0%	0.0%	0.6%	0.5%	0.0%
500034-IN	Bajaj Finance	Financial Services	**0.4%**	0.2%	0.2%	0.0%	0.4%	0.2%	0.1%	0.5%	0.2%	0.0%
300-HK	Midea Group H	Consumer Durables & Apparel	**0.4%**	0.1%	0.4%	0.1%	0.4%	0.3%	0.0%	0.5%	0.4%	0.1%
NPN-ZA	Naspers N	Consumer Discretionary Distribution & Retail	**0.4%**	0.3%	0.1%	0.0%	0.7%	0.4%	0.0%	0.3%	0.0%	0.0%
2359-HK	WuXi AppTec Co H	Pharmaceuticals Biotechnology & Life Sciences	**0.4%**	0.1%	0.3%	0.1%	0.3%	0.2%	0.1%	0.5%	0.4%	0.1%
CPI-ZA	Capitec Bank Holdings	Banks	**0.4%**	0.2%	0.2%	0.0%	0.4%	0.2%	0.0%	0.4%	0.2%	0.0%
BPAC11-BR	Banco BTG Pactual	Financial Services	**0.4%**	0.1%	0.3%	0.0%	0.4%	0.3%	0.0%	0.4%	0.3%	0.0%
BBCA-ID	PT Bank Central Asia	Banks	**0.4%**	0.1%	0.2%	0.0%	0.3%	0.2%	0.1%	0.4%	0.3%	0.0%
ETE-GR	National Bank of Greece	Banks	**0.4%**	0.1%	0.2%	0.0%	0.3%	0.1%	0.0%	0.4%	0.3%	0.0%
FSR-ZA	FirstRand	Financial Services	**0.4%**	0.2%	0.1%	0.0%	0.4%	0.1%	0.0%	0.4%	0.1%	0.0%
086790-KR	Hana Financial Group	Banks	**0.4%**	0.2%	0.1%	0.0%	0.6%	0.4%	0.1%	0.3%	0.0%	0.0%
PKO-PL	PKO Bank	Banks	**0.4%**	0.2%	0.1%	0.0%	0.3%	0.1%	0.0%	0.4%	0.2%	0.0%
6669-TW	Wiwynn	Technology Hardware & Equipment	**0.4%**	0.2%	0.2%	0.1%	0.7%	0.5%	0.1%	0.2%	0.0%	0.0%
1180-SA	Saudi National	Banks	**0.4%**	0.3%	0.1%	0.0%	0.2%	-0.1%	0.0%	0.4%	0.2%	0.0%
012450-KR	Hanwha Aerospace	Capital Goods	**0.3%**	0.2%	0.1%	0.0%	0.3%	0.0%	0.0%	0.4%	0.1%	0.1%
055550-KR	Shinhan Financial Group	Banks	**0.3%**	0.3%	0.1%	0.0%	0.3%	0.0%	0.0%	0.3%	0.1%	0.0%
AXIA3-BR	AXIA Energia	Utilities	**0.3%**	0.1%	0.2%	0.0%	0.3%	0.2%	0.0%	0.3%	0.2%	0.0%
ASELS.E-TR	Aselsan Elektronik Sanayi	Capital Goods	**0.3%**	0.1%	0.2%	0.0%	0.3%	0.2%	0.1%	0.3%	0.3%	0.0%
500510-IN	Larsen & Toubro	Capital Goods	**0.3%**	0.2%	0.1%	0.0%	0.1%	-0.2%	0.0%	0.4%	0.2%	0.0%
1211-HK	BYD H	Automobiles & Components	**0.3%**	0.4%	-0.1%	0.0%	0.2%	-0.2%	0.0%	0.4%	0.0%	0.0%

Source: FactSet, Morningstar, Morgan Stanley Research. Note: Data as of August 31, 2026. For important disclosures regarding companies that are the subject of this screen, please see the Morgan Stanley Research Disclosure Website at www.morganstanley.com/researchdisclosures. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis.

Exhibit 18: Top 50 holdings among long-only EM active managers and changes YTD

			International & US Funds				International Funds - UCITS			US Funds		
Ticker	Company Name	GICS Industry Group	Portfolio Composite Weight	MSCI EM Index Weight	Active Weight	Active Weight Change YTD 26	Portfolio Composite Weight	Active Weight	Active Weight Change YTD 26	Portfolio Composite Weight	Active Weight	Active Weight Change YTD 26
2330-TW	Taiwan Semiconductor Manufacturing	Semiconductors & Semiconductor Equipment	**14.4%**	15.1%	-0.7%	-1.5%	10.7%	-4.4%	-3.5%	15.8%	0.7%	-0.8%
005930-KR	Samsung Electronics	Technology Hardware & Equipment	**8.0%**	8.1%	-0.1%	-0.8%	8.8%	0.8%	-0.5%	7.6%	-0.5%	-0.8%
000660-KR	SK hynix	Semiconductors & Semiconductor Equipment	**5.8%**	5.5%	0.3%	-0.8%	5.5%	0.0%	-0.5%	5.9%	0.5%	-0.9%
700-HK	Tencent Holdings	Media & Entertainment	**3.4%**	2.9%	0.5%	-0.2%	3.0%	0.1%	-0.1%	3.6%	0.7%	-0.2%
2454-TW	MediaTek	Semiconductors & Semiconductor Equipment	**2.0%**	1.4%	0.5%	0.2%	1.7%	0.3%	0.0%	2.1%	0.6%	0.3%
9988-HK	Alibaba Group Holding	Consumer Discretionary Distribution & Retail	**1.7%**	2.0%	-0.3%	0.0%	1.7%	-0.3%	-0.1%	1.7%	-0.3%	0.1%
402340-KR	SK Square Co	Capital Goods	**1.4%**	0.6%	0.8%	0.3%	1.2%	0.6%	0.2%	1.5%	0.9%	0.4%
PETR4-BR	Petroleo Bras Pfd	Energy	**1.2%**	0.6%	0.6%	0.2%	0.8%	0.2%	0.0%	1.4%	0.8%	0.3%
3750-HK	Contemporary Amperex Technology H	Capital Goods	**1.2%**	0.2%	1.0%	0.3%	1.3%	1.0%	0.0%	1.2%	1.0%	0.4%
2308-TW	Delta Electronics	Technology Hardware & Equipment	**1.1%**	0.9%	0.2%	0.1%	1.2%	0.3%	0.0%	1.1%	0.1%	0.1%
3711-TW	ASE Technology Holding	Semiconductors & Semiconductor Equipment	**0.9%**	0.5%	0.4%	0.2%	1.1%	0.6%	0.3%	0.8%	0.3%	0.2%
532174-IN	ICICI Bank	Banks	**0.8%**	0.7%	0.2%	0.0%	1.0%	0.3%	0.1%	0.8%	0.1%	-0.1%
939-HK	China Construction Bank H	Banks	**0.8%**	0.8%	-0.1%	0.2%	0.7%	-0.2%	0.3%	0.8%	0.0%	0.2%
BAP-US	Credicorp	Banks	**0.7%**	0.2%	0.5%	0.0%	0.5%	0.3%	0.2%	0.8%	0.6%	0.0%
NU-US	Nu Holdings A	Banks	**0.7%**	0.4%	0.3%	-0.1%	0.9%	0.5%	0.0%	0.7%	0.2%	-0.1%
9999-HK	NetEase	Media & Entertainment	**0.7%**	0.3%	0.4%	0.0%	0.6%	0.2%	-0.2%	0.8%	0.4%	0.1%
532454-IN	Bharti Airtel	Telecommunication Services	**0.7%**	0.4%	0.3%	-0.2%	0.5%	0.0%	0.0%	0.8%	0.4%	-0.2%
500180-IN	HDFC Bank Ltd	Banks	**0.7%**	0.7%	0.0%	-0.4%	0.6%	0.0%	-0.3%	0.7%	0.0%	-0.5%
OTP-HU	OTP Bank	Banks	**0.7%**	0.3%	0.4%	0.0%	0.7%	0.5%	0.0%	0.7%	0.4%	0.0%
GFNORTEO-MX	Grupo Financiero Banorte O	Banks	**0.6%**	0.2%	0.4%	0.0%	0.7%	0.5%	0.0%	0.6%	0.4%	0.0%
500325-IN	Reliance Industries	Energy	**0.6%**	0.7%	-0.1%	-0.1%	0.3%	-0.4%	0.0%	0.7%	0.0%	-0.2%
VALE3-BR	Vale	Materials	**0.6%**	0.4%	0.1%	0.0%	0.3%	-0.1%	0.1%	0.7%	0.2%	-0.1%
ITUB4-BR	Itauunibanco Pfd N1	Banks	**0.6%**	0.4%	0.2%	-0.2%	0.5%	0.1%	-0.2%	0.6%	0.2%	-0.2%
2383-TW	Elite Material	Technology Hardware & Equipment	**0.5%**	0.4%	0.1%	0.0%	0.7%	0.3%	0.0%	0.5%	0.1%	0.0%
2317-TW	Hon Hai Precision	Technology Hardware & Equipment	**0.5%**	0.8%	-0.3%	0.1%	0.7%	-0.1%	0.2%	0.4%	-0.3%	0.1%
2899-HK	Zijin Mining Grp Co Ltd H	Materials	**0.5%**	0.3%	0.2%	0.2%	0.5%	0.2%	0.2%	0.5%	0.3%	0.2%
105560-KR	KB Financial Group	Banks	**0.5%**	0.4%	0.1%	0.0%	0.5%	0.1%	0.0%	0.5%	0.2%	0.0%
2345-TW	Accton Technology	Technology Hardware & Equipment	**0.5%**	0.3%	0.2%	0.1%	0.6%	0.4%	0.1%	0.4%	0.2%	0.0%
2318-HK	Ping An Insurance Group H	Insurance	**0.5%**	0.4%	0.1%	-0.1%	0.6%	0.2%	0.0%	0.4%	0.0%	-0.1%
GMEXICOB-MX	Grupo Mexico B	Materials	**0.5%**	0.3%	0.2%	0.0%	0.4%	0.1%	0.0%	0.5%	0.2%	0.0%
ICT-PH	International Container Terminal Servic	Transportation	**0.5%**	0.1%	0.4%	0.1%	0.1%	0.0%	0.0%	0.6%	0.5%	0.1%
500034-IN	Bajaj Finance	Financial Services	**0.45%**	0.22%	0.23%	0.03%	0.4%	0.2%	0.0%	0.5%	0.2%	0.0%
300-HK	Midea Group H	Consumer Durables & Apparel	**0.4%**	0.1%	0.4%	0.0%	0.4%	0.3%	0.0%	0.5%	0.4%	0.0%
NPN-ZA	Naspers N	Consumer Discretionary Distribution & Retail	**0.4%**	0.3%	0.1%	-0.2%	0.7%	0.4%	-0.6%	0.3%	0.0%	-0.1%
2359-HK	WuXi AppTec Co H	Pharmaceuticals Biotechnology & Life Sciences	**0.4%**	0.1%	0.3%	0.2%	0.3%	0.2%	0.2%	0.5%	0.4%	0.2%
CPI-ZA	Capitec Bank Holdings	Banks	**0.4%**	0.2%	0.2%	0.0%	0.4%	0.2%	0.0%	0.4%	0.2%	0.0%
BPAC11-BR	Banco BTG Pactual	Financial Services	**0.4%**	0.1%	0.3%	-0.1%	0.4%	0.3%	-0.1%	0.4%	0.3%	-0.2%
BBCA-ID	PT Bank Central Asia	Banks	**0.4%**	0.1%	0.2%	-0.3%	0.3%	0.2%	-0.2%	0.4%	0.3%	-0.3%
ETE-GR	National Bank of Greece	Banks	**0.4%**	0.1%	0.2%	-0.1%	0.3%	0.1%	-0.1%	0.4%	0.3%	0.0%
FSR-ZA	FirstRand	Financial Services	**0.4%**	0.2%	0.1%	0.1%	0.4%	0.1%	0.2%	0.4%	0.1%	0.0%
086790-KR	Hana Financial Group	Banks	**0.4%**	0.2%	0.1%	0.0%	0.6%	0.4%	0.0%	0.3%	0.0%	0.0%
PKO-PL	PKO Bank	Banks	**0.4%**	0.2%	0.1%	0.1%	0.3%	0.1%	0.1%	0.4%	0.2%	0.2%
6669-TW	Wiwynn	Technology Hardware & Equipment	**0.4%**	0.2%	0.2%	0.0%	0.7%	0.5%	0.1%	0.2%	0.0%	0.0%
1180-SA	Saudi National	Banks	**0.4%**	0.3%	0.1%	0.0%	0.2%	-0.1%	0.0%	0.4%	0.2%	0.1%
012450-KR	Hanwha Aerospace	Capital Goods	**0.3%**	0.2%	0.1%	0.1%	0.3%	0.0%	0.1%	0.4%	0.1%	0.0%
055550-KR	Shinhan Financial Group	Banks	**0.3%**	0.3%	0.1%	0.1%	0.3%	0.0%	0.1%	0.3%	0.1%	0.1%
AXIA3-BR	AXIA Energia	Utilities	**0.3%**	0.1%	0.2%		0.3%	0.2%		0.3%	0.2%	
ASELS.E-TR	Aselsan Elektronik Sanayi	Capital Goods	**0.3%**	0.1%	0.2%	0.2%	0.3%	0.2%	0.1%	0.3%	0.3%	0.2%
500510-IN	Larsen & Toubro	Capital Goods	**0.3%**	0.2%	0.1%	0.1%	0.1%	-0.2%	0.1%	0.4%	0.2%	0.1%
1211-HK	BYD H	Automobiles & Components	**0.3%**	0.4%	-0.1%	0.1%	0.2%	-0.2%	0.1%	0.4%	0.0%	0.1%

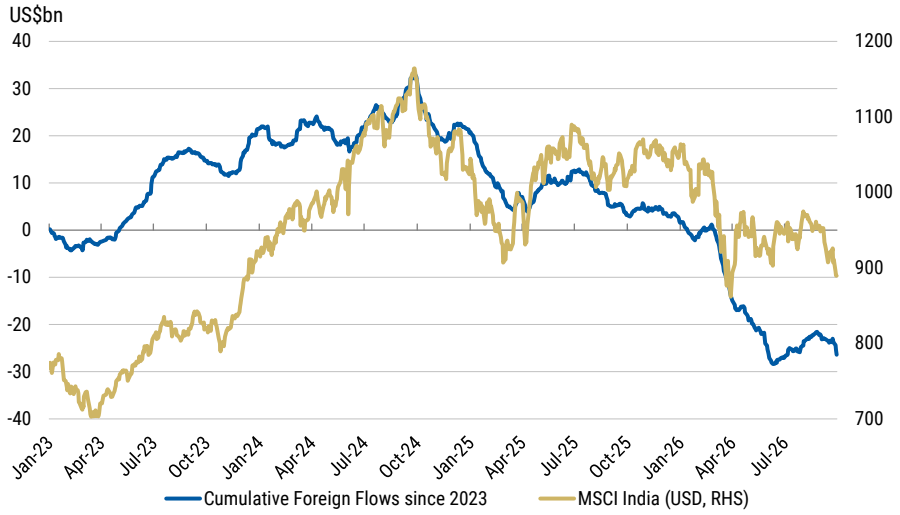
Source: FactSet, Morningstar, Morgan Stanley Research. Note: Data as of August 31, 2026. For important disclosures regarding companies that are the subject of this screen, please see the Morgan Stanley Research Disclosure Website at www.morganstanley.com/researchdisclosures. Please contact us if you would like to receive the full table. Our fund positioning database methodology is described in section - Methodology of Our Fund Analysis.

EM Market Flows

Charts – Stock Exchanges

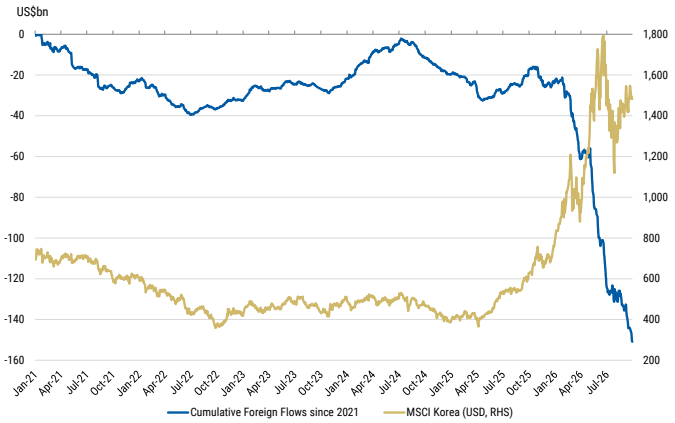
We provide flows color from key stock exchanges summarized in the key charts below. Note that numbers might differ from EPFR given differences in coverage.

Exhibit 19: India – Cumulative Foreign Flows – Foreigners net sold US$4.1bn in September



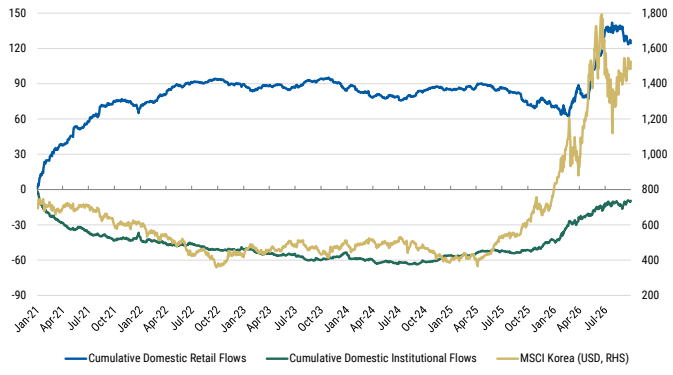
Source: Bloomberg, Central Depository Services, Morgan Stanley Research. Note: Data as of September 30, 2026.

Exhibit 20: Korea – Cumulative Foreign Flows – Heavy selling of US$17.0bn in September.



Source: Bloomberg, Korea Exchange, Morgan Stanley Research. Note: Data as of October 2, 2026.

Exhibit 21: Korea – Cumulative Domestic Retail and Institutional Flows - Domestic retail and institutional investors combined recorded outflows in September



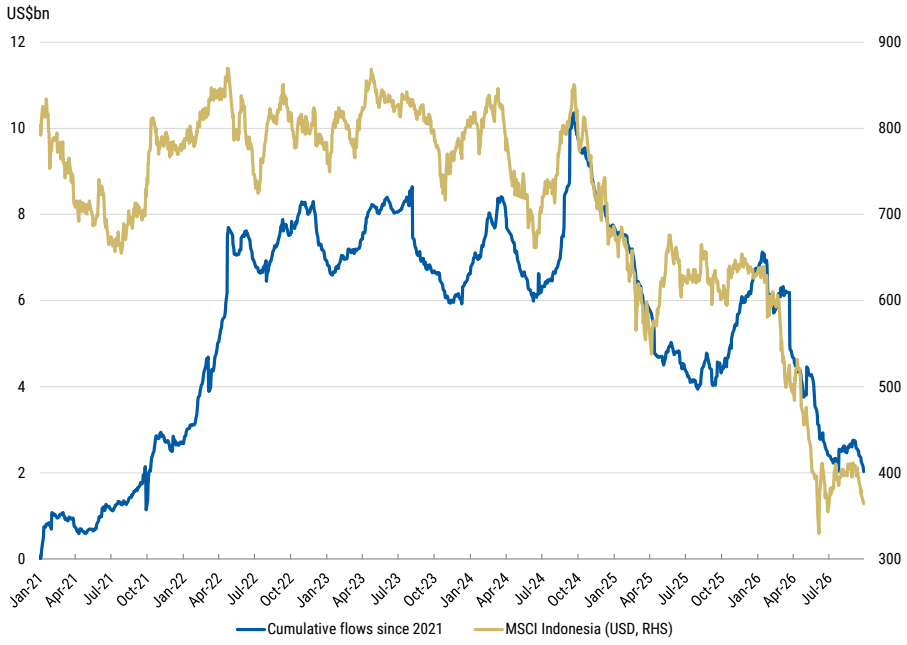
Source: Bloomberg, Korea Exchange, Morgan Stanley Research. Note: Data as of October 2, 2026.

Exhibit 22: Taiwan – Cumulative Foreign Flows – Foreigners net bought US$2.3bn in September



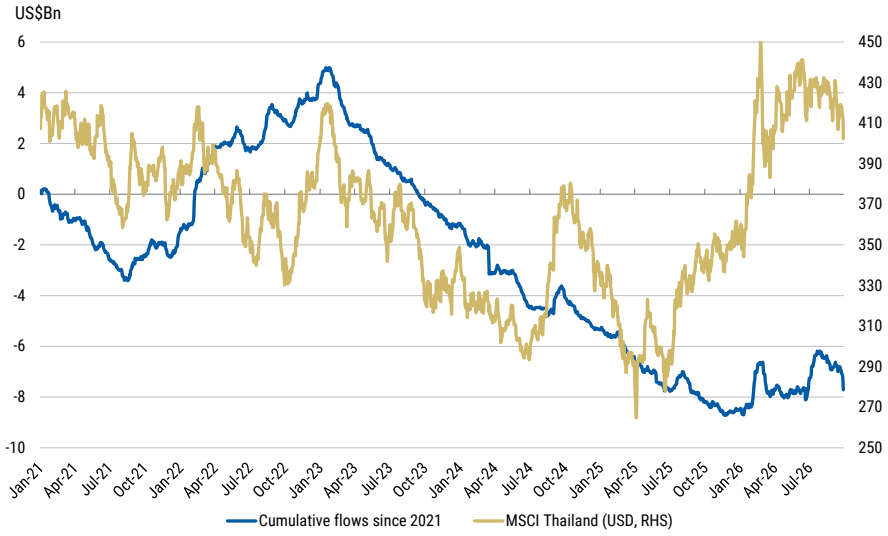
Source: Bloomberg, Taiwan Stock Exchange, Morgan Stanley Research. Note: Data as of October 2, 2026.

Exhibit 23: Indonesia Cumulative Foreign Flows – Outflows in September



Source: Bloomberg, Indonesia Stock Exchange, Morgan Stanley Research. Note: Data as of October 2, 2026.

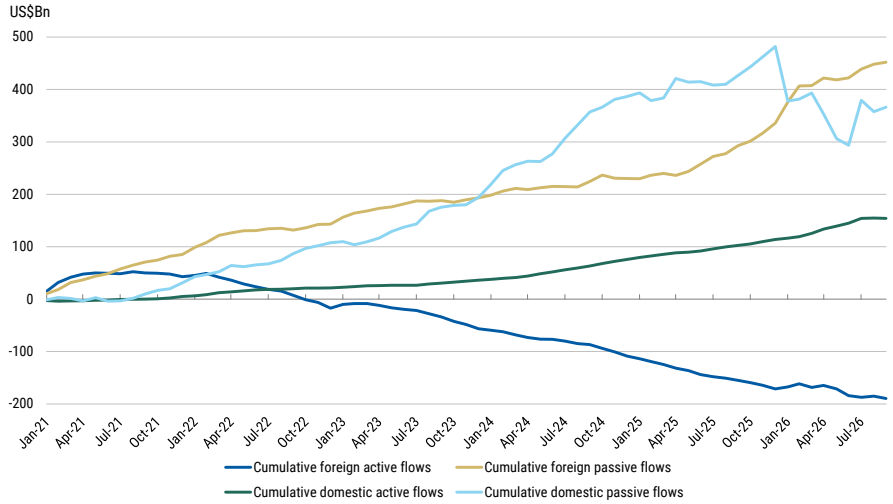
Exhibit 24: Thailand Cumulative Foreign Flows – Outflows in September



Source: Bloomberg, Indonesia Stock Exchange, Morgan Stanley Research. Note: Data as of October 2, 2026.

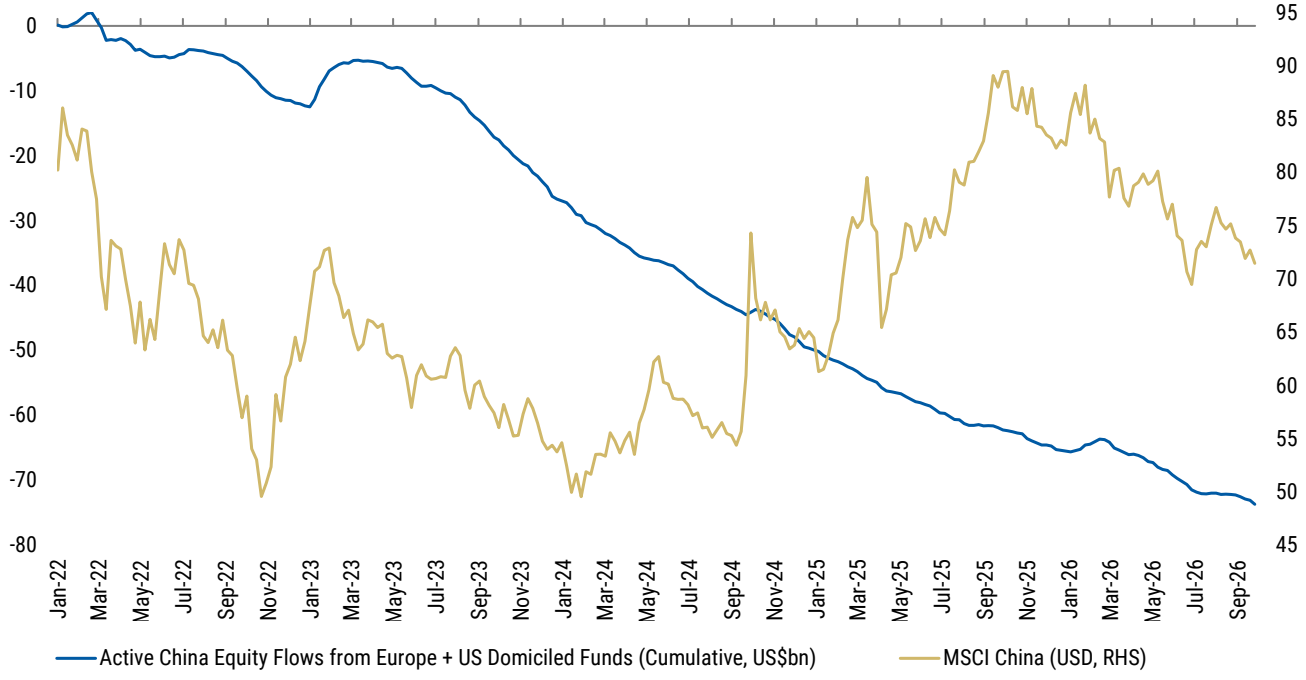
Charts – ETF/Mutual Fund Flows

Exhibit 25: Emerging market flows from ETF/mutual funds by domicile – Active funds were net sellers of EM equities while passive funds continued to buy



Source: EPFR Global, Country Equity Flows Database, Morgan Stanley Research. Note: Data as of September 30, 2026.

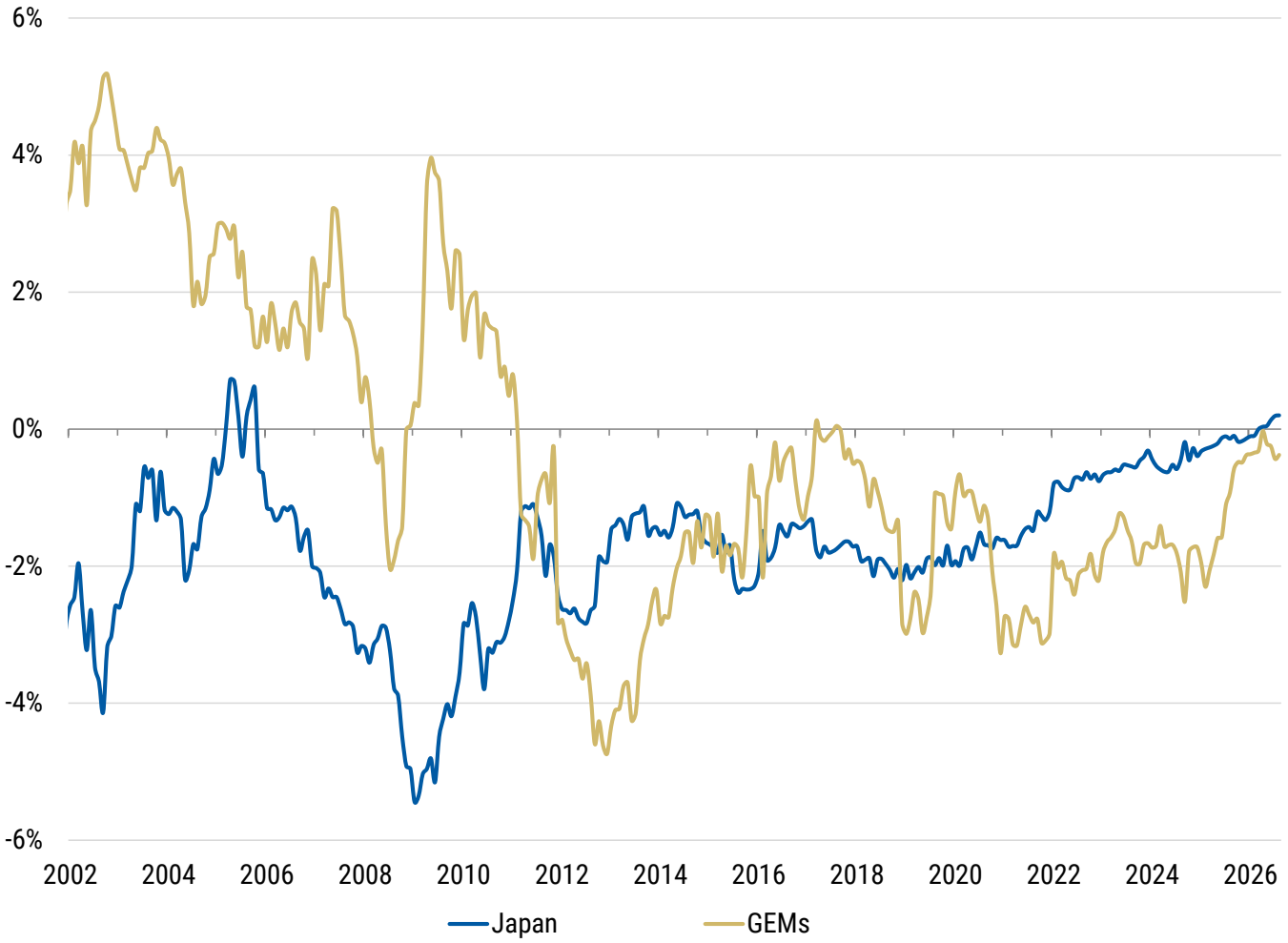
Exhibit 26: Cumulative Active Equity Flows to China by Europe and US Domiciled Funds – Active US/EU Long-Only Managers remained net sellers in September



Source: EPFR Global, Country Equity Flows Database (see last page for details), Morgan Stanley Research. Note: Data as of September 30, 2026.

Japan – Flows and Positioning

Exhibit 27: Fund Positioning in Global Equity Funds: EMs vs. Japan – Japan's relative weight continues to rise, reaching a 20bp overweight as of end-August



Source: EPFR Global, Country Allocation Database (see last page for details), Morgan Stanley Research. Note: Fund Weights as of end-August 2026. Global long-only funds sample benchmarked to MSCI World, MSCI ACWI ex-USA and MSCI EAFE.

Exhibit 28: Active weights, by GICS industry group, relative to MSCI Japan

GICS Industry Group	Portfolio Composite Weights	MSCI Japan Index Weights	Active Weights	Active Weights Changes QTD	Active Weights Changes YTD
Materials	**5.6%**	3.9%	1.7%	-0.3%	-0.5%
Technology Hardware & Equipment	**6.6%**	6.0%	0.6%	-0.7%	-1.2%
Consumer Durables & Apparel	**6.1%**	5.1%	1.0%	-0.2%	-0.6%
Consumer Discretionary Distribution & Retail	**2.8%**	2.5%	0.3%	0.2%	0.5%
Commercial & Professional Services	**4.7%**	3.4%	1.3%	0.4%	0.9%
Household & Personal Products	**0.7%**	0.7%	0.0%	0.0%	0.0%
Financial Services	**2.4%**	2.3%	0.1%	-0.3%	-0.3%
Consumer Staples Distribution & Retail	**1.3%**	0.8%	0.5%	0.0%	0.6%
Media & Entertainment	**2.7%**	1.9%	0.7%	0.3%	0.2%
Software & Services	**3.0%**	2.0%	1.0%	0.5%	0.1%
Health Care Equipment & Services	**2.3%**	1.6%	0.6%	0.0%	-0.3%
Real Estate Management & Development	**2.1%**	1.7%	0.4%	0.1%	-0.1%
Capital Goods	**19.9%**	19.2%	0.6%	0.0%	1.1%
Semiconductors & Semiconductor Equipment	**6.8%**	9.6%	-2.8%	1.0%	-2.2%
Energy	**0.6%**	0.9%	-0.3%	0.0%	-0.1%
Insurance	**3.9%**	4.6%	-0.7%	-0.2%	0.5%
Food Beverage & Tobacco	**1.7%**	2.2%	-0.5%	0.1%	0.4%
Consumer Services	**0.3%**	0.5%	-0.2%	0.0%	0.0%
Equity Real Estate Investment Trusts (REITs)	**0.1%**	0.1%	0.0%	0.0%	-0.1%
Pharmaceuticals Biotechnology & Life Sciences	**2.4%**	3.8%	-1.4%	-0.3%	-0.7%
Utilities	**0.2%**	1.0%	-0.8%	0.0%	0.1%
Telecommunication Services	**3.9%**	4.7%	-0.8%	0.1%	-0.1%
Transportation	**1.6%**	1.9%	-0.4%	-0.1%	0.6%
Banks	**11.8%**	12.3%	-0.6%	0.3%	0.1%
Automobiles & Components	**6.5%**	7.0%	-0.5%	-0.6%	1.2%

Source: FactSet, Morningstar, Morgan Stanley Research. Note: Data as of August 31, 2026.

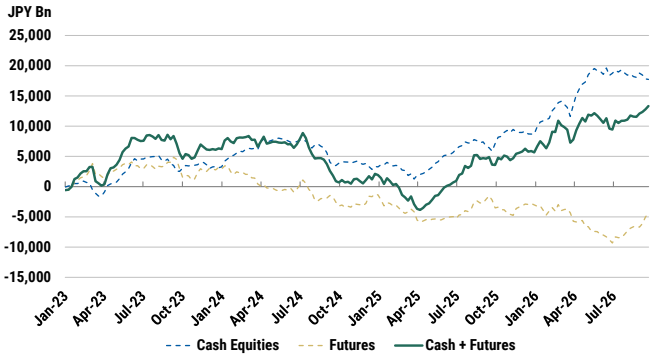


Exhibit 29: Top 50 Japanese holdings among long-only active managers

			Latest				
Ticker	Company Name	GICS Industry Group	Portfolio Composite Weights	MSCI Japan Index Weights	Active Weights vs. Index	Active Weights Changes QTD	Active Weights Changes YTD
6501-JP	Hitachi	Capital Goods	4.0%	2.8%	1.1%	0.6%	1.3%
6098-JP	Recruit Holdings	Commercial & Professional Services	3.5%	2.9%	0.7%	0.3%	0.7%
6758-JP	Sony Group	Consumer Durables & Apparel	3.2%	2.8%	0.5%	0.2%	-0.6%
8316-JP	Sumitomo Mitsui Financial	Banks	3.2%	3.0%	0.2%	0.2%	-0.3%
8306-JP	Mitsubishi UFJ Financial Group	Banks	3.0%	4.6%	-1.7%	-0.2%	-0.3%
6861-JP	Keyence	Technology Hardware & Equipment	2.7%	1.9%	0.8%	-0.1%	-0.5%
8035-JP	Tokyo Electron	Semiconductors & Semiconductor Equipment	2.6%	3.0%	-0.4%	0.0%	-1.0%
9984-JP	SoftBank Group	Telecommunication Services	2.2%	2.3%	0.0%	0.2%	-0.1%
7203-JP	Toyota Motor	Automobiles & Components	2.1%	3.5%	-1.4%	-0.2%	0.9%
8411-JP	Mizuho Financial Group	Banks	1.9%	2.4%	-0.5%	0.1%	-0.2%
8766-JP	Tokio Marine Holdings	Insurance	1.7%	1.6%	0.1%	-0.1%	0.1%
6503-JP	Mitsubishi Electric	Capital Goods	1.4%	1.3%	0.2%	0.0%	0.3%
4063-JP	Shin-Etsu Chemical	Materials	1.4%	1.2%	0.3%	0.1%	-0.1%
7974-JP	Nintendo	Media & Entertainment	1.4%	1.2%	0.2%	0.2%	-0.1%
6702-JP	Fujitsu	Software & Services	1.3%	0.8%	0.5%	0.3%	-0.1%
7013-JP	IHI	Capital Goods	1.2%	0.3%	0.9%	0.0%	0.3%
8031-JP	Mitsui & Co	Capital Goods	1.2%	1.4%	-0.2%	0.2%	0.1%
6752-JP	Panasonic Holdings	Consumer Durables & Apparel	1.1%	1.2%	-0.1%	-0.3%	-0.1%
8002-JP	Marubeni Corp	Capital Goods	1.0%	0.8%	0.2%	0.0%	0.3%
6367-JP	DAIKIN INDUSTRIES	Capital Goods	1.0%	0.7%	0.3%	-0.2%	-0.2%
8001-JP	Itochu	Capital Goods	1.0%	1.4%	-0.4%	0.0%	-0.1%
5802-JP	Sumitomo Electric Inds	Automobiles & Components	1.0%	0.8%	0.2%	0.0%	0.3%
9432-JP	NTT	Telecommunication Services	1.0%	0.6%	0.4%	0.2%	0.1%
7741-JP	HOYA Corp	Health Care Equipment & Services	1.0%	1.0%	0.0%	-0.1%	-0.7%
6857-JP	Advantest	Semiconductors & Semiconductor Equipment	0.9%	2.9%	-2.0%	0.0%	-0.4%
6701-JP	NEC	Software & Services	0.9%	0.7%	0.2%	0.1%	0.0%
8591-JP	ORIX	Financial Services	0.9%	0.8%	0.1%	-0.2%	-0.2%
9983-JP	FAST RETAILING	Consumer Discretionary Distribution & Retail	0.9%	1.6%	-0.7%	0.1%	0.0%
6762-JP	TDK Corp	Technology Hardware & Equipment	0.9%	0.7%	0.2%	-0.1%	-0.1%
3382-JP	Seven & I Holdings	Consumer Staples Distribution & Retail	0.8%	0.5%	0.3%	0.0%	0.1%
4502-JP	Takeda Pharmaceutical	Pharmaceuticals Biotechnology & Life Sciences	0.8%	1.1%	-0.3%	-0.1%	-0.3%
8802-JP	Mitsubishi Estate	Real Estate Management & Development	0.7%	0.5%	0.3%	0.0%	-0.5%
285A-JP	Kioxia Holdings	Semiconductors & Semiconductor Equipment	0.7%	1.9%	-1.1%	1.3%	NA
7453-JP	Ryohin Keikaku	Consumer Discretionary Distribution & Retail	0.7%	0.3%	0.5%	0.1%	0.3%
7011-JP	Mitsubishi Heavy	Capital Goods	0.7%	1.5%	-0.8%	0.1%	0.3%
2802-JP	Ajinomoto	Food Beverage & Tobacco	0.7%	0.5%	0.2%	0.0%	0.3%
8308-JP	Resona	Banks	0.7%	0.6%	0.1%	0.2%	0.2%
8309-JP	Sumitomo Mitsui Trust	Banks	0.7%	0.5%	0.2%	-0.1%	0.0%
7182-JP	Japan Post Bank	Banks	0.7%	0.7%	-0.1%	0.0%	0.1%
6723-JP	Renesas Electronics	Semiconductors & Semiconductor Equipment	0.6%	0.7%	-0.1%	-0.2%	-0.2%
6954-JP	FANUC	Capital Goods	0.6%	0.7%	-0.1%	0.0%	-0.2%
8750-JP	Daiichi Life Group	Insurance	0.6%	0.7%	-0.1%	-0.1%	-0.1%
7269-JP	Suzuki Motor	Automobiles & Components	0.6%	0.4%	0.2%	0.0%	-0.1%
7267-JP	Honda Motor	Automobiles & Components	0.6%	0.7%	-0.2%	-0.2%	0.1%
6981-JP	Murata Manufacturing	Technology Hardware & Equipment	0.6%	1.4%	-0.8%	0.4%	-0.5%
8058-JP	Mitsubishi	Capital Goods	0.6%	1.7%	-1.2%	0.0%	0.0%
4519-JP	Chugai Pharmaceutical	Pharmaceuticals Biotechnology & Life Sciences	0.5%	0.5%	0.0%	0.0%	0.0%
4543-JP	Terumo	Health Care Equipment & Services	0.5%	0.4%	0.2%	0.0%	0.3%
8801-JP	Mitsui Fudosan	Real Estate Management & Development	0.5%	0.4%	0.1%	0.1%	0.2%
7936-JP	Asics	Consumer Durables & Apparel	0.5%	0.4%	0.2%	0.0%	0.0%

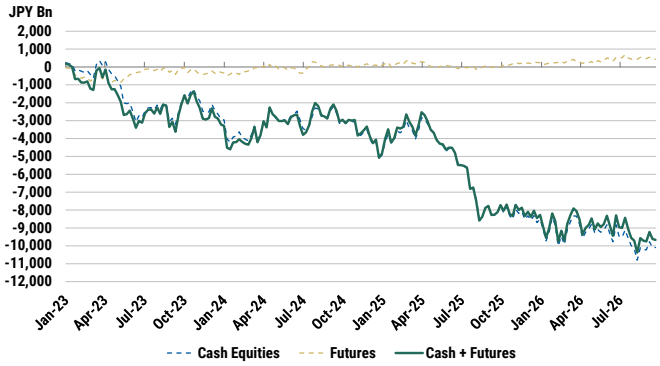
Source: FactSet, Morningstar, Morgan Stanley Research. Note: Data as of August 31, 2026. For important disclosures regarding companies that are the subject of this screen, please see the Morgan Stanley Research Disclosure Website at www.morganstanley.com/researchdisclosures.

Exhibit 30: Japan – Cumulative Foreign Flows (Japan Exchange Group) - Foreigners net bought US$11.4bn in September



Source: Japan Exchange Group, Bloomberg, Morgan Stanley Research. Note: Data as of September 25, 2026.

Exhibit 31: Japan – Cumulative Individual Flows (Japan Exchange Group) - Muted flows from Individuals



Source: Japan Exchange Group, Bloomberg, Morgan Stanley Research. Note: Data as of September 25, 2026.

Appendix – Directory of Other Reports on Flows and Positioning

Asia/EM

Asia EM Equity Strategy: Exploring Signals from Flows & Positioning - A Practical Guide (21 Apr 2026)

China Equity Strategy: China/HK Flows and Positioning Monthly Tracker – August 2026 (6 Sep 2026)

India Equity Strategy: "DREAM" Run: Resilience continues (10 Sep 2026)

Australia Macro+: Positioning Almanac - What Your Peers Are Buying (22 Jun 2026)

Brazil Equity Strategy: Brazil Equity Flows and Positioning: September 2026 (8 Sep 2026)

Global

Quantitative Equity Research: Mutual Fund Footprints – Systematic Equity Signals from US Active Manager Disclosures (29 May 2026)

European Equity Strategy: Show Me The (Real) Money – AI In The Driving Seat (22 May 2026)

Cross-Asset Spotlight: Repricing Rates (28 Sep 2026)

Global Thematics: Thematic Fund Flows and AUM: 1Q26 (10 May 2026)

Methodology of Our Fund Analysis – EPFR

About EPFR

EPFR Global provides fund flows and asset allocation data to financial institutions around the world. For further details, please visit its website https://epfr.com/. Funds tracked by EPFR are domiciled across the globe; it tracks both US and non-US domiciled funds. EPFR covers Emerging Markets Funds, International Funds, Global Funds, Developed Europe Funds, Pacific Funds, Japan Funds and USA Funds. Approximately 70% of money invested in these funds is from institutional investors – mainly pension funds and insurance companies. We have used two different databases in this report provided by EPFR: Fund Flows Database and Country Flows Database.

Fund Flows Database

This database calculates "Net Flows" (investors' contributions net of redemptions) for individual funds and for various funds categories. All dedicated EM: GEM, EM Asia, LatAm, EMEA. AUM covered represents funds tracked by EPFR Global.

Calculation

Weekly Net Flows = Weekly Net Chg. – Weekly Portfolio Chg.

Weekly Net Chg. = (Assets End of week) – (Assets Beginning of week) – (Weekly Forex Chg. vs. US$)

Weekly Portfolio Chg. = Assets (Beginning of Week) x Weekly Performance of the fund (Chg. in NAV per share including any dividend distribution)

Country Flows Database

Country Flows Database combines Fund Flows Database and Country Weightings data to track the flow of money into individual country equity markets. Fund Flows Database tracks the amount of cash flowing into and out of the thousands of investments funds monitored by EPFR worldwide. Country weighting report tracks fund mangers' allocations at month end across the various countries they invest in. By combining fund flows and country weighting, EPFR is able to estimate the flow of cash into and out of various stock markets.

Difference between Country Flows Database and Fund Flows Database

The Country Flows Database includes the total flows to EM countries by all equity funds, tracked by EPFR in EM. This includes Global funds, Global ex US-funds, Pacific region funds, etc., that are not included as dedicated EM equity funds in the Fund Flows Database. The Country Flows Database has a larger asset total vs. Fund Flows Database. This is because the country data in the Fund Flows Database include only dedicated country fund groups, while country data in Country Flows Database track all equity funds with exposure to a particular country. For example, it tracks flows to China from Global, GEM, Asia ex Japan, BRIC, Pacific Region, Greater China and dedicated China Country Funds.

Country Flows data for EM only include flows that actually get allocated to EM countries, and do not include investor flows going to cash, while the Fund Flow EM data would include flows going to cash and unallocated to EM.

In the fund flow database flows to Hong Kong and Singapore funds would be included in the data (and GEM funds still have exposure to HK/Singapore, although they are technically not EMs any longer), but in the Country Flows database, HK/Singapore is treated as developed markets, so the GEM equity fund flows (which were significant in 2010) into HK/Singapore would not show up as EM in the Country Flows database.

Some inflows/outflows from a couple of non-dedicated fund groups should account for the differences in the data.

Data Availability for Both Databases

Data are available in weekly, monthly and annual frequency. Weekly data report of EPFR is a subset of the funds contained in the monthly report. This is because not all funds report data to EPFR on a weekly basis.

Methodology of Our Fund Analysis – FactSet/Morningstar

Global Emerging Markets – Fund Universe

Coverage: Our US fund universe in this analysis is formed by taking the 40 largest active funds in "US Funds: Morningstar Emerging Markets Equity", covering total AUM of US $191bn.

Our SICAV fund universe in this analysis is formed by taking the 40 largest active funds in "International Funds: Morningstar Emerging Markets Equity", covering total AUM of US $69bn.

We carve out EM equities to form a composite portfolio using weighted average by market value of each security.

Rationale: We track only the funds with the largest AUM because of their better data quality. Changes in individual securities positions across different funds are aggregated based on market value. Please note that not every individual fund discloses month-end positions, so our estimations are for best-effort market indication purposes rather than factual reported data.

Japan – Fund Universe

Methodology: We take the 40 largest active funds by AUM under the Morningstar categories of "Global Equity", "Japan Equity" and "Asia Pacific Equity" to aggregate a composite portfolio of 160 individual funds, covering AUM of US$910bn, in which Japanese equities came to US$76bn. We carve out these Japanese equities to form a composite portfolio using weighted average by market value of each security.

Rationale: We track only the funds with the largest AUM, because these tend to have better data quality. The changes in individual securities positions across different funds are aggregated based on market value. Please note that not every fund discloses month-end positions, so our estimates serve as a best-efforts gauge of market indications, rather than factual data reporting.

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(as of September 30, 2026)

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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1599	43%	455	48%	28%	783	44%
Equal-weight/Hold	1563	42%	394	42%	25%	763	43%
Not-Rated/Hold	2	0%	1	0%	50%	1	0%
Underweight/Sell	570	15%	96	10%	17%	227	13%
Total	3,734		946			1774	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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