



# Cognitive Diversity Offers a Better Approach to Emerging Markets Investing

For Sammy Muaddi, an investment professional at T. Rowe Price, identifying the best investment ideas in emerging markets requires a global group of analysts whose experiences and backgrounds help to inform their fundamental analysis. He calls this combination cognitive diversity. To find the best ideas to include in his emerging markets corporate bond strategy, Sammy draws on a team of more than 60 T. Rowe Price professionals from 23 nationalities, who speak 27 languages. “When you’re investing in emerging markets, you’re not just investing in a business. You’re trying to understand complex challenges of commerce, society, culture, and politics,” he says. A team featuring cognitive diversity can put into proper context the relevance of an earnings miss, an economic sanction, a tax or trade policy, or a military coup. “You can’t just visit a country for three days and draw an investment conclusion based on an American-only point of view,” he adds. As a Palestinian-American, Sammy is passionate about the struggles of developing countries and trying to figure out why they succeed or fail. While data-driven research is critical, he and his team take nearly 200 research trips a year to gain local knowledge that can create a competitive edge. They have traveled 150 miles off the coast of Brazil to an oil-pumping dock for deepwater drilling, visited a copper mine in Zambia 100 feet below the surface, and researched real estate properties in China. “In the 13 years that I’ve been here, I have traveled to more than 70 countries.”



*Talking with*  
**Sammy Muaddi**

Investment Professional, T. Rowe Price

## **Going Beyond the Numbers Reveals the Full Story**

At T. Rowe Price, our investment approach is to go beyond the numbers when evaluating which companies offer the best future investment potential. By meeting with executives, employees, and customers, we can ask the right questions to get a deeper understanding of where a company stands and where it could go in the future. This rigorous research strategy is integral to Sammy’s investment process.

## **Diverse Perspective in the Field Helps to Build Insight**

On a recent trip to Brazil, Sammy sought to understand why the country’s government reforms, which perplexed foreign business and economic leaders, were unpopular with disenfranchised Brazilians. He hired a local translator to escort him and his team through a favela, a low-income shantytown shoe-horned between the high hills of Rio de Janeiro, where he talked to residents about economic opportunity. They told him previous governments did little to address

“When you’re investing in emerging markets, you’re not just investing in a business. You’re trying to understand complex challenges of commerce, society, culture, and politics.”

the entrenched legacy of inequality and that their participation in the formal economy was practically nil. “It was really eye-opening,” he says. “You can’t invest in a foreign country without understanding the implications. What typically goes wrong in emerging markets is that you make an investment and then the politics change. This is something that happens often through the election cycle.”

### Getting Ahead of Change

Samy and his team understand that emerging markets countries are heavily dependent on capital and that choosing the right companies with strong long-term potential is crucial. They are keeping a watchful eye on hundreds of companies to get ahead of change

for investors. Combining fundamental analysis with on-site research seen through a variety of perspectives allows Samy to make better informed investment decisions and avoid the trap of groupthink. “That’s how you create value from opportunity. And that’s why I go beyond the numbers.”

### INVEST WITH CONFIDENCE®

T. Rowe Price focuses on delivering investment management excellence that investors can rely on—now and over the long term.

To learn more, please visit [troweprice.com](http://troweprice.com).

---

#### Important Information

This material is being furnished for general informational purposes only. The material does not constitute or undertake to give advice of any nature, including fiduciary investment advice, and prospective investors are recommended to seek independent legal, financial and tax advice before making any investment decision. T. Rowe Price group of companies including T. Rowe Price Associates, Inc. and/or its affiliates receive revenue from T. Rowe Price investment products and services. **Past performance is not a reliable indicator of future performance.** The value of an investment and any income from it can go down as well as up. Investors may get back less than the amount invested.

The material does not constitute a distribution, an offer, an invitation, a personal or general recommendation or solicitation to sell or buy any securities in any jurisdiction or to conduct any particular investment activity. The material has not been reviewed by any regulatory authority in any jurisdiction.

Information and opinions presented have been obtained or derived from sources believed to be reliable and current; however, we cannot guarantee the sources' accuracy or completeness. There is no guarantee that any forecasts made will come to pass. The views contained herein are as of September 2018 and are subject to change without notice; these views may differ from those of other T. Rowe Price group companies and/or associates. Under no circumstances should the material, in whole or in part, be copied or redistributed without consent from T. Rowe Price.

The material is not intended for use by persons in jurisdictions which prohibit or restrict the distribution of the material and in certain countries the material is provided upon specific request.

It is not intended for distribution to retail investors in any jurisdiction.

**Australia**—Issued in Australia by T. Rowe Price Australia Limited (ABN: 13 620 668 895 and AFSL: 503741), Level 50, Governor Phillip Tower, 1 Farrer Place, Suite 50B, Sydney, NSW 2000, Australia. For Wholesale Clients only.

**Canada**—Issued in Canada by T. Rowe Price (Canada), Inc. T. Rowe Price (Canada), Inc.'s investment management services are only available to Accredited Investors as defined under National Instrument 45-106. T. Rowe Price (Canada), Inc. enters into written delegation agreements with affiliates to provide investment management services.

**DIFC**—Issued in the Dubai International Financial Centre by T. Rowe Price International Ltd. This material is communicated on behalf of T. Rowe Price International Ltd. by its representative office which is regulated by the Dubai Financial Services Authority. For Professional Clients only.

**EEA**—Issued in the European Economic Area by T. Rowe Price International Ltd, 60 Queen Victoria Street, London EC4N 4TZ which is authorised and regulated by the UK Financial Conduct Authority. For Professional Clients only.

**Hong Kong**—Issued in Hong Kong by T. Rowe Price Hong Kong Limited, 21/F, Jardine House, 1 Connaught Place, Central, Hong Kong. T. Rowe Price Hong Kong Limited is licensed and regulated by the Securities & Futures Commission. For Professional Investors only.

**New Zealand**—Issued in New Zealand by T. Rowe Price Australia Limited (ABN: 13 620 668 895 and AFSL: 503741), Level 50, Governor Phillip Tower, 1 Farrer Place, Suite 50B, Sydney, NSW 2000, Australia. No Interests are offered to the public. Accordingly, the Interests may not, directly or indirectly, be offered, sold or delivered in New Zealand, nor may any offering document or advertisement in relation to any offer of the Interests be distributed in New Zealand, other than in circumstances where there is no contravention of the Financial Markets Conduct Act 2013.

**Singapore**—Issued in Singapore by T. Rowe Price Singapore Private Ltd., No. 501 Orchard Rd, #10-02 Wheelock Place, Singapore 238880. T. Rowe Price Singapore Private Ltd. is licensed and regulated by the Monetary Authority of Singapore. For Institutional and Accredited Investors only.

**Switzerland**—Issued in Switzerland by T. Rowe Price (Switzerland) GmbH, Talstrasse 65, 6th Floor, 8001 Zurich, Switzerland. For Qualified Investors only.

**USA**—Issued in the USA by T. Rowe Price Associates, Inc., 100 East Pratt Street, Baltimore, MD, 21202, which is regulated by the U.S. Securities and Exchange Commission. For Institutional Investors only.

T. ROWE PRICE, INVEST WITH CONFIDENCE, and the bighorn sheep design are, collectively and/or apart, trademarks of T. Rowe Price Group, Inc. © 2018 T. Rowe Price. All rights reserved.