[DRAFT] Potential Mississippi Exposure to CATL via Investment Channels

May 22, 2025

Commissioned by Injustice Pool LLC in March 2025

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1. Executive Summary:

This report highlights the likely indirect exposure of Mississippi-based investors—including public retirement systems, retail advisory networks, and institutional allocations—to Contemporary Amperex Technology Co. Limited (CATL), a major Chinese battery manufacturer. While there is no public evidence of direct shareholding by state entities, analysis of fund managers, mutual fund distributors, and ETF holdings suggests meaningful indirect exposure. These findings are particularly relevant in the context of growing geopolitical and regulatory scrutiny of Chinese industrial champions. Transparency remains limited, and the structure of mutual funds and ETFs makes it difficult to quantify exposure precisely, but the channels are clear and material.

2. Investment Managers & Fund Holdings Linked to CATL

PERS is a leading example of how public retirement systems in Mississippi may face indirect exposure to CATL through international investment vehicles. The Public Employees' Retirement System of Mississippi—the state's primary pension fund—serves as a useful case study to understand potential indirect exposure to CATL through pooled investment vehicles. While this report references PERS due to the availability of its investment disclosures, the fund managers and instruments identified are also broadly used by other institutions and advisors operating across Mississippi.

Using PERS' March 31, 2025 Investment Report as an example, the following investment managers—commonly employed by institutional investors in Mississippi—oversee international equity portfolios that contain, or are likely to contain, CATL positions:

Manager	Fund Name & Ticker	Estimated Holdings	Approx. Value (USD)*	CATL Exposure	Notes
Baillie Gifford	BGCWX (EAFE Choice Fund Class 2)	58,604 shares	~$920K	Yes	Confirmed CATL exposure
	BGICF2 (International All Cap Fund Class 2)	62,999 shares	~$1.3M	Yes	

	BGCBX (China Equities Fund Institutional)	2,700 shares	~$110K	Yes	Direct China equity strategy
	BGLTX (Long Term Global Growth Fund Class 2)	375,860 shares	~$11.6M	Yes	Large-cap growth; CATL included
	BGALX (Global Alpha Equities Fund Class 4)	226,000 shares	~$4.5M	Yes	
	BCANX (China A Shares Fund Institutional)	3,000 shares	~$85K	Yes	
Lazard	LEAIX (EM Equity Advantage Inst.)	12,900 shares	~$235K	Yes	Emerging markets focused
	LZIOX (Intl. Equity Open Shares)	190,900 shares	~$3.8M	Yes	
	JNL/Lazard Emerging Markets Fund (a)	185,500 shares	~$3.6M	Yes	Sub-advised
	LAZARD Retirement Intl. Equity Portfolio Service Shares	20,900 shares	~$410K	Yes	
	ECEIX (Emerging Markets Core Equity Inst.)	20,800 shares	~$400K	Yes	
Northern Trust	NOEMX (Emerging Markets Equity Index Fund)	60,240 shares	~$1.2M	Yes	Index includes CATL

*Dollar value approximations are based on estimated NAVs as of Q1 2025.

Other international equity managers for PERS (e.g., Principal, Fisher Investments, Marathon) also manage strategies that may include CATL, though specific fund holdings were not publicly available.

3. Structural Exposure Through Mutual Funds & ETFs:

Ownership exposure can be categorized into a three-tier structure that reflects the level of visibility and proximity to CATL shares:

- **Tier 1: Direct Ownership –** Institutions or entities that hold CATL stock outright. For example, USAA has direct ownership in CATL.
- **Tier 2: Fund-Level Ownership –** Entities that own units in mutual funds or ETFs that hold CATL. These holdings are generally transparent and publicly reportable via 13F filings. Edward Jones clients fall in this category.
- **Tier 3: Delegated Mandate Exposure –** Indirect exposure via third-party fund managers who hold discretion over investment decisions (e.g., Fisher Investments on behalf of PERS). The underlying holdings are not always visible to the end investor.

This structure helps delineate the degree of ownership transparency and the complexity of exposure pathways. Additionally, exposure can be mapped on a secondary axis: **jurisdictional footprint**—whether the investing entity, its clients, or its legal presence operates in Mississippi.

By overlaying ownership tier with jurisdictional presence, a 3x3 matrix emerges to assess exposure risk. For instance:

- **USAA**: Tier 1 ownership + indirect Mississippi presence
- **Edward Jones**: Tier 2 ownership + direct Mississippi legal presence and client base
- **PERS**: Tier 3 ownership + direct Mississippi institutional presence

	Tier 1: Direct Ownership	Tier 2: Fund-Level Ownership	Tier 3: Delegated Mandate
High MS Presence	USAA (Indirect MS presence)	Edward Jones (Direct MS presence)	PERS (Direct MS presence)
Moderate MS Presence	*TBD*	TIAA (University plans)	Principal / Marathon (Unverified presence)
Low/Unclear MS Presence	Foreign sovereign fund (e.g. CIC)	Vanguard EM ETF	Northern Trust Index Mandates

Due to the nature of pooled investment vehicles, many Mississippi-based investors—including retirement accounts and financial advisory clients—are likely exposed to

CATL through mutual funds and ETFs. These structures allocate capital to CATL either directly (via stock selection) or passively (via index-tracking).

Examples include:

- Baillie Gifford China A Shares Fund
- Lazard Emerging Markets Core Equity Fund
- Northern Trust EM Index Fund (NOEMX)

4. Validation via Fintel & Morningstar:

Using Fintel ownership data:

- **iShares MSCI China ETF**: ~$25M in CATL holdings
- **iShares Emerging Markets ETF**: ~$20M in CATL holdings

While Mississippi-based institutions like public pension funds are not listed among unit holders, relevant distribution and holding channels do exist:

- **Edward Jones Financial Company** appears as a shareholder in iShares MSCI China ETF.
- **Bridge Builder Mutual Funds**, distributed exclusively by Edward Jones, also hold shares in CATL.

5. Edward Jones Footprint in Mississippi

- Edward Jones operates more than 36 financial advisors across 10+ cities in Mississippi.
- These advisors serve individual and institutional clients and distribute Bridge Builder funds, which have confirmed exposure to CATL.
- This network likely constitutes a meaningful indirect exposure channel for Mississippi-based investors.).

Source: https://www.edwardjones.com/us-en/search/find-a-financial-advisor?fasearch=Mississippi

6. Conclusion

Mississippi-based investors are likely indirectly exposed to CATL through a range of investment vehicles. These include actively managed mutual funds by Baillie Gifford and Lazard, passive index funds by Northern Trust, and ETFs such as iShares MSCI China. Additionally, retail access via Edward Jones—one of the largest advisor networks in the state—further amplifies the possibility of exposure.

Given ongoing regulatory, geopolitical, and ESG-related scrutiny of Chinese firms like CATL, this indirect exposure represents a potential reputational and policy risk that may be underappreciated in traditional portfolio reporting.