Ninety One Global Strategy Fund share classes

Ninety One

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Previously Investec Asset Management

The Ninety One Global Strategy Fund ('GSF') offers a wide range of share classes for different investor requirements. This document explains what they are, their names and the meaning of the various abbreviations used. These different share classes are denoted by a number of abbreviations after the fund name (please see the examples below) and each of these are described in this document. If you have any questions or require any further information, please contact your usual financial advisor in the first instance.

Letter designations

GSF has a number of different share classes with different minimum investment levels and different fee charging structures which are aimed at different investor types. These share classes are differentiated by the use of different letters: A, C, D, F, I, IX, J, JX, S and Z. Please refer to the Prospectus or Key Investor Information Documents ('KIID') for further details and to check which share class is available and appropriate to you. Please note that I share classes are only available to institutional investors (as determined in accordance with Luxembourg legal practice and described in the Prospectus) in order for them to benefit from a lower rate of subscription tax (taxe d'abonnement). The IX share class is our 'clean' share class that is open to retail investors (subject to meeting the investment minima).

Income and accumulation share classes

A Inc / A Acc

Some investors want to receive income from their investments, whilst others prefer for any income to accumulate within their holding. GSF has different share classes for these different needs. An income share ('Inc') will distribute all or part of the income accruing in that share class, net of the share class' expenses. An accumulation share ('Acc') will instead accrue the income daily in the net asset value of the share class.

Considerations for investors

Income share classes (Inc) – for investors seeking an income from their investment. Accumulation share classes (Acc) – for investors seeking to grow their investment without taking an income.

Share classes that take charges from capital

A Inc-2 / A Inc-3 Inc-2 share classes

These share classes are designed to maximise the amount of distributable income, payable to investors and so charge all their expenses to the capital account of the fund. In contrast, the 'Inc' share classes (i.e. non-Inc-2 income share classes) take their charges from income where available.

Inc-3 share classes

These share classes are similar to Inc-2 share classes in that they charge all their expenses to the capital account of the fund in order to maximise the amount of distributable income. Additionally, Inc-3 share classes aim to provide a consistent distribution rate which is based on the investment manager's expectation of the long-term underlying yield of the fund. To achieve this, they may make distributions from capital or carry over excess income from one calendar year to the next.

Considerations for investors

For investors seeking an income from their investment which is maximised. As both Inc-2 and Inc-3 share classes take their charges from capital this has the effect of maximising the share class' distributable income (which may be taxable) whilst reducing its capital to an equivalent extent. This could constrain future capital and income growth. As the income rate for Inc-3 share classes is based on a forecast, there is a risk that future income generated by the fund is over-estimated leading to distributions being taken from capital which could also constrain future capital and income growth.

Currency (USD, EUR, GBP)

Share classes are priced in a range of different currencies (e.g. US dollar 'USD', euro 'EUR', pound sterling 'GBP' etc). These currencies do not necessarily match those of the underlying investments in the fund. Nor do they necessarily match the currency that the fund's investments are valued in (the 'base currency'). For this reason investors are able to choose different types of hedging strategy in order to manage their currency exposures.

Reference currency hedged share classes ('RCHSC')

The investment manager uses a currency hedging strategy that aims to align returns in these currency hedged share classes with those achieved in the currency that the fund's investments are valued in (the 'base currency'), typically GBP, USD or EUR. It is important to note that currency exposure may still exist (to a greater or lesser extent) in relation to the currencies that the underlying investments in the fund are denominated in versus the base currency of the fund (if different). Below we have provided some hypothetical examples to illustrate different scenarios in this regard.

RCHSC – example A

A Acc EUR Hedged (Reference)

Where a **majority** of the underlying investments in the fund are denominated in the fund's base currency or hedged back to the fund's base currency.

Example:

- A European investor that wants to mitigate the currency risk between the fund's base currency (USD) and their chosen share class reference currency (EUR) and wants US stock returns in local (USD) currency terms. That is, they want the USD performance converted to EUR performance.

Worked hypothetical example

Fund	Currency exposure of portfolio	Fund base currency	RCHSC currency	Hedging trade	Resulting net exposure
GSF American Franchise Fund	100% USD	USD	EUR	buy EUR 100% sell USD 100%	100% EUR

Considerations for investors

For investors seeking to reduce currency exposure between the currency of the share class and the base currency of a fund.

RCHSC – example B

A Acc EUR Hedged (Reference)

Where **some but not the majority** of the underlying investments in the fund are denominated in the fund's base currency or hedged back to the fund's base currency

Example:

- A European investor that wants to mitigate currency risk between the fund's base currency (USD) and their chosen share class reference currency (EUR), regardless of the correlation between the currency of the portfolio's underlying holdings and the base currency.
- The investor remains partially exposed to various global currencies as well as having a short position in USD vs. EUR which would benefit from a fall in the value of the USD against the EUR.

Worked hypothetical example

Fund	Currency exposure of portfolio	Fund base currency	RCHSC currency	Hedging trade	Resulting net exposure
GSF Global Franchise Fund	60% USD 30% EUR 10%GBP	USD	EUR	buy EUR 100% sell USD 100%	-40% USD 130% EUR 10% GBP

Considerations for investors

These classes do not necessarily reduce currency exposure, and are appropriate for investors who understand their likely risk and return profiles.

RCHSC – example C

A Acc EUR Hedged (Reference)

Where **only a limited proportion** of the underlying investments of the fund are denominated in the fund's base currency or hedged back to the fund's base currency.

Example:

- A European investor that wants to mitigate currency risk between the fund's base currency (USD) and their chosen share class reference currency (EUR), regardless of the correlation between the currency of the portfolio's underlying holdings and the base currency.
- The investor is exposed to various global currencies (CNY, CNH), as well as having a short position in USD vs. EUR which would mitigate the currency risk between the fund's base currency (USD) and their chosen share class reference currency (EUR).

Worked hypothetical example

Fund	Currency exposure of portfolio	Fund base currency	RCHSC currency	Hedging trade	Resulting net exposure
GSF All China Equity	50% CNY 50% CNH	USD	EUR	buy EUR 100% sell USD 100%	-100% USD 100% EUR 50% CNY 50% CNH

Considerations for investors

These classes do not necessarily reduce currency exposure, and therefore their purpose could be misunderstood. These classes do not necessarily reduce currency exposure and are appropriate for investors who understand their likely risk and return profiles.

Portfolio currency hedged share classes ('PCHSC')

A Acc EUR Hedged (Portfolio – AC*)

The investment manager uses a currency hedging strategy that looks through to the underlying investments of the fund and aims to reduce exchange rate risk for those investments priced in currencies other than the currency of the share class.

Where the underlying investments are denominated in currencies where the hedging costs are higher, for instance in emerging market currencies, the hedged returns can be significantly lower than the local currency returns.

Worked hypothetical example

Fund	Currency exposure of portfolio	Fund base currency	RCHSC currency	Hedging trade	Resulting net exposure
GSF Global Franchise Fund	60% USD 30% EUR 10%GBP	USD	EUR	buy EUR 70% sell USD 60% sell GBP 10%	100% EUR

Considerations for investors

For investors seeking to hedge currency exposures within a fund's underlying investments which differ from the base currency.

Some portfolio hedged share classes may incur higher hedging costs (e.g. from emerging market currencies) and could have significantly lower returns than the underlying investment's local currency returns. These classes therefore may not necessarily reduce currency exposure and are appropriate for investors who understand their likely risk and return profiles.

*AC stands for 'Actual Currency'.

Interest rate differential ('IRD') share classes

C Inc-2 ZAR Hedged (IRD)

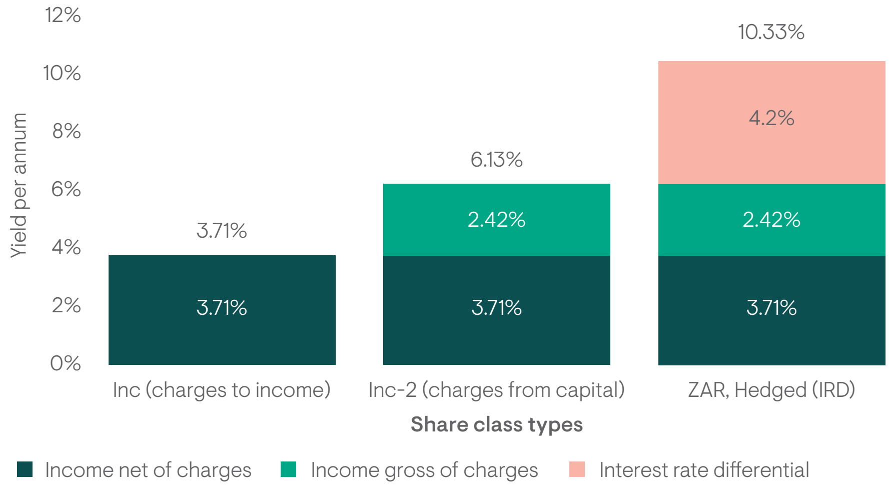
IRD share classes are currently available within GSF in South African rand (ZAR), Australian dollar (AUD), New Zealand dollar (NZD) and Chinese renminbi (RMB). These are denoted ZAR Hedged (IRD), AUD Hedged (IRD), NZD Hedged (IRD) and RMB Hedged (IRD) respectively.

These share classes operate in the same way as our other reference currency hedged share classes – i.e. they hedge the returns of the share class in its currency denomination (e.g. ZAR or AUD) back to the returns of the base currency of the fund (typically EUR or USD). This hedges the ZAR, AUD, NZD or RMB return so that it is similar to the USD/EUR return and also picks up the difference in interest rates (interest rate differential) between the share class denomination currency (ZAR, AUD, NZD or RMB) and the fund's base currency (USD/EUR). This interest rate differential is added to the distribution yield of the share class. This interest rate differential may rise or fall and could become negative.

Expenses on IRD share classes will be charged to the capital account of the fund in order to maximise the amount of distributable income which is paid out monthly.

The difference in distributable income of different types of share class is shown in the chart opposite. The first bar in the chart shows the yield on the Inc share class net of expenses charged to the share class. The second bar shows the yield of the Inc-2 share class gross of expenses which are charged to capital instead. The third bar shows the gross yield with the addition of the interest rate differential between ZAR and USD.

Worked example of how the yield breakdown might work for the ZAR, Hedged (IRD) share classes (C shares)



The value of investments, and any related income, can fall as well as rise and losses may be made.

The above is for illustrative purposes only and is based on a hypothetical yield. The charges and the interest rate differential will vary.

Considerations for investors

Given the inherent risks, we believe these share classes are appropriate for investors who understand their likely risk and return profiles. IRD share classes are intended for investors whose currency of investment matches that of the share class. Investors who measure their investment returns in a currency other than that of this share class should be aware of the foreign exchange risk that would exist on both the value of the income received and their capital value.

The interest rate differential can go up or down and can be negative depending on the direction of interest rates in the two currencies.

As the interest rate differential is distributed, it may be taxed as income rather than capital. This may be inefficient for investors in certain countries.

Charges for the IRD share classes are taken from capital. This has the effect of increasing the share class' income (which may be taxable) whilst reducing its capital to an equivalent extent and could constrain future capital and income growth.

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