Ninety One

Investing for a world of change

Capturing the improving opportunity set

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Investment Team: There is no assurance that the persons referenced herein will continue to be involved with investing for this Fund, or that other persons not identified herein will become involved with investing assets for the Manager or assets of the Fund at any time without notice.

Investment Process: Any description or information regarding investment process or strategies is provided for illustrative purposes only, may not be fully indicative of any present or future investments and may be changed at the discretion of the manager without notice. References to specific investments, strategies or investment vehicles are for illustrative purposes only and should not be relied upon as a recommendation to purchase or sell such investments or to engage in any particular strategy. Portfolio data is expected to change and there is no assurance that the actual portfolio will remain as described herein. There is no assurance that the investments presented will be available in the future at the levels presented, with the same characteristics or be available at all. Past performance is no guarantee of future results and has no bearing upon the ability of Manager to construct the illustrative portfolio and implement its investment strategy or investment objective.

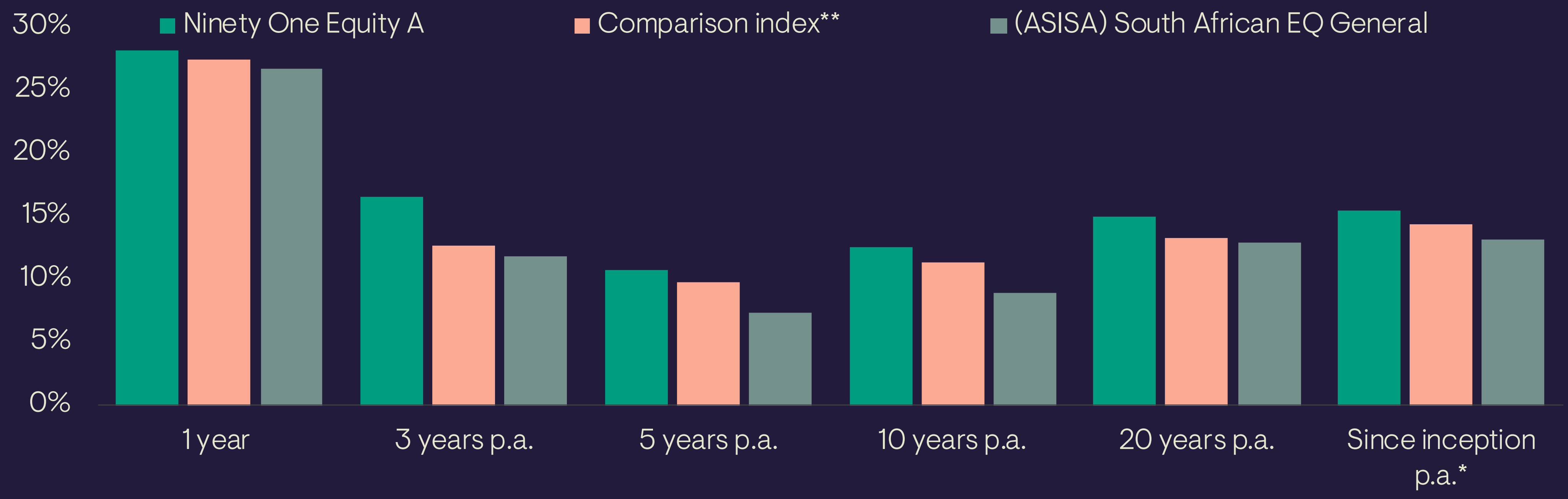
The fund is a sub-fund in the Ninety One Global Strategy Fund, 49 Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, and is approved under the Collective Investment Schemes Control Act.

In the event that specific funds are mentioned please refer to the relevant minimum disclosure document in order to obtain all the necessary information in regard to that fund.

Ninety One Equity Fund

Performance

Annualised performance in ZAR



	1 year	3 years p.a.	5 years p.a.	10 years p.a.	20 years p.a.	Since inception p.a.*
Equity A Inc	28.2%	16.6%	10.7%	12.6%	15.0%	15.4%
Comparison Index**	27.4%	12.7%	9.8%	11.4%	13.3%	14.4%
(ASISA) South African EQ General	26.7%	11.8%	7.4%	8.9%	12.9%	13.2%

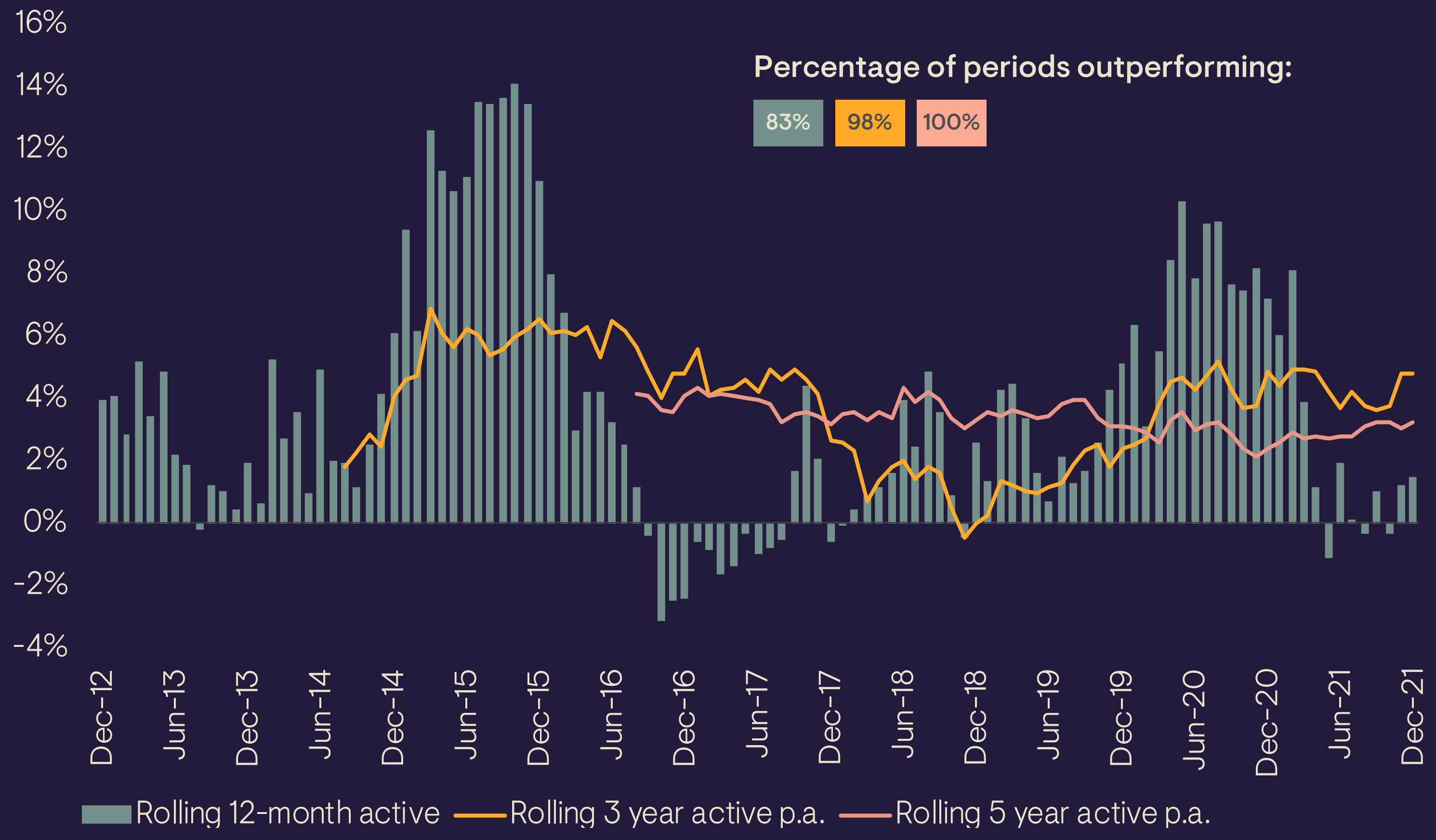
Past performance is not a reliable indicator of future results, losses may be made.
Source: Morningstar, dates to 31 December 2021, performance figures above are based on lump sum investment, NAV based, inclusive of all annual management fees, gross income reinvested. Initial charges are not applicable to this fund. Fees are not applicable to market indices, where funds have an international allocation, this is subject to dividend withholding tax, in South African Rand. * Inception date 28 April 2000. Annualised performance is the average return per year over the period. Individual investor's performance may vary depending on actual investment dates. Highest and Lowest returns are those achieved during any rolling 12 months over the period specified. Since inception*: Apr-06 65.8% and Feb-09 -34.8%. ** Comparison index: At Inception = 87.5% ALSI + 12.5% MSCI ACWI pre 1/11/2017 and ALSI; Current since 15 Jun 2016 = 87.5% FTSE/JSE Capped Shareholder Weighted All Share Index TR ZAR (SWIX CAPI) + 12.5% MSCI AC World NR (ACWI). The Fund is actively managed. Any index is shown for illustrative purposes only.

Ninety One Equity Fund delivers consistent and repeatable alpha

Core portfolio that has delivered consistent and repeatable returns

Ninety One Equity Fund A share class relative to the General Equity sector

10 years as at 31 December 2021



Meeting this objective is a function of:

Philosophy

– 'Tension' between Earnings Revisions and Value

Idea generation

– Combining fundamental screening with forward-looking analyst research

Process

– Actively managed portfolio where conviction is constantly balanced in terms of potential risk

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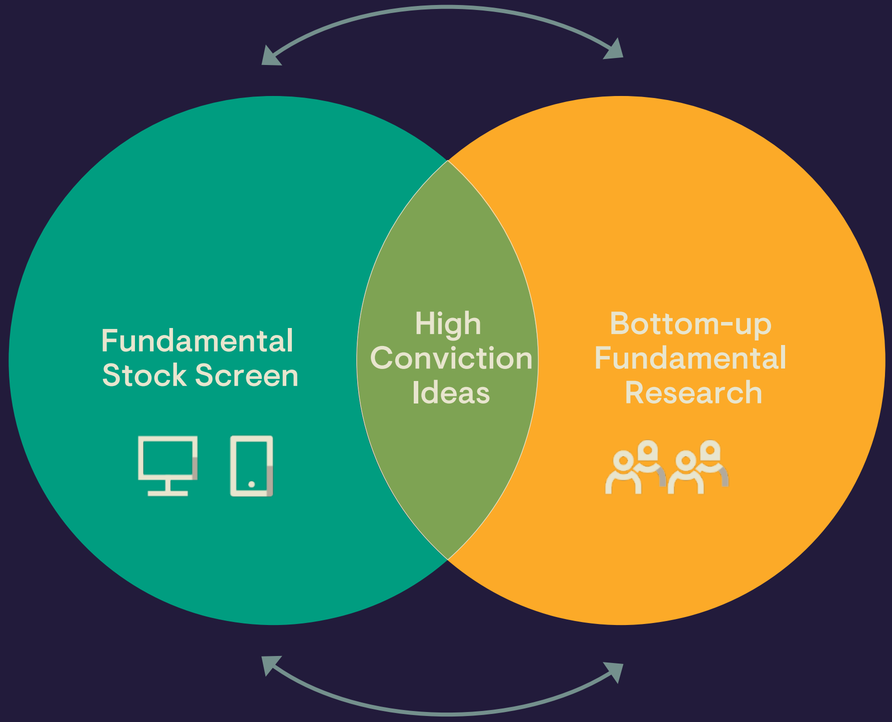
Ninety One SA equity investment philosophy

Earnings revisions at reasonable valuation — unique philosophy in SA

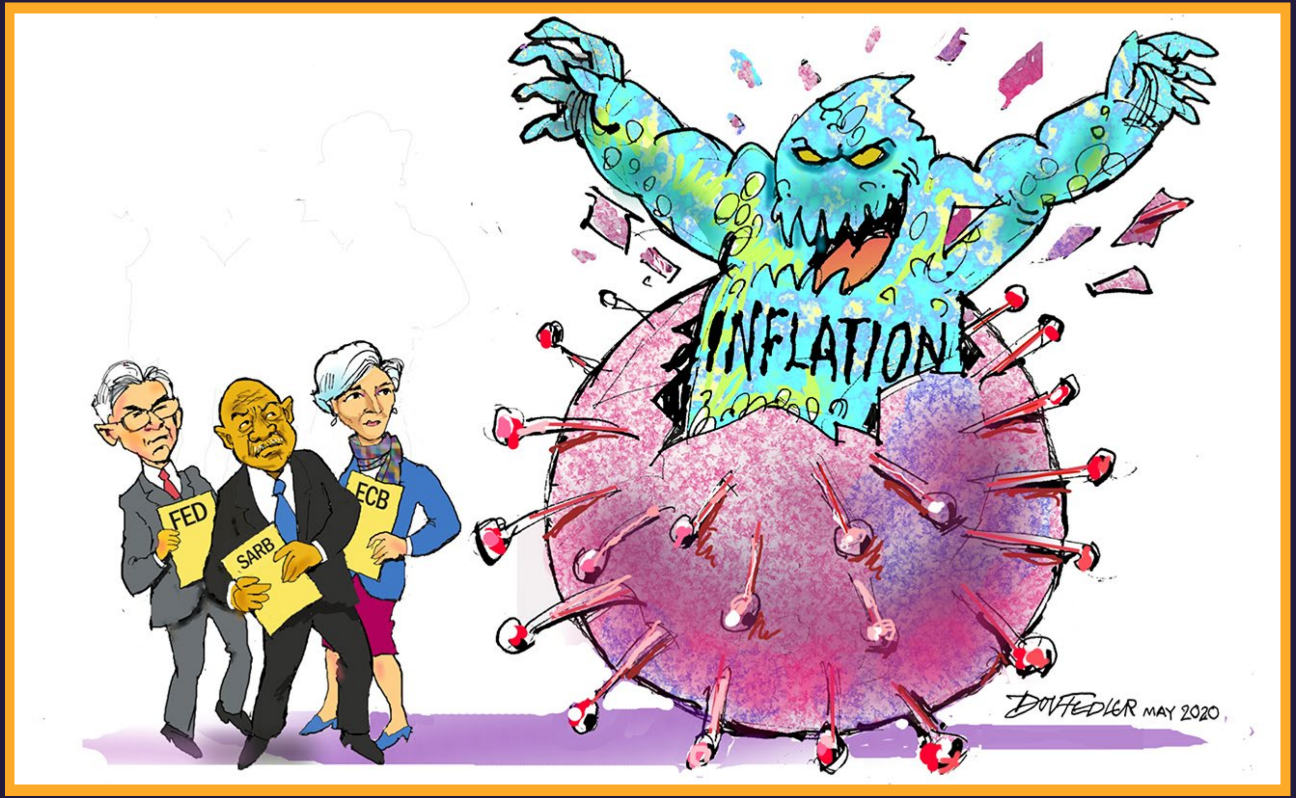
- Markets inefficient due to **behavioural errors**
- Exploited within a **disciplined, evidence-based process**
- Best alpha opportunities where **expected future profits are being revised upwards** and trading at **reasonable valuations**
- **Combine** sophisticated **screening** with rigorous bottom-up **fundamental analysis**



Summary of views

Stay invested in risk assets, notwithstanding periodic market corrections

- **Transition to mid economic cycle firmly under way** as central banks accelerate their moves
- Global **growth moderating again due to omicron**, but expected to rebound quite strongly from Q2 onwards
- **Supply chain improvement will take longer** due an omicron
- Over-riding market issue is **whether US inflation will peak** from Q2 onwards , as we expect
- Slowdown in **China's economy** is still concerning, but policymakers seem to have switched to a more growth supportive focus
- **SA economy** likely to continue grinding recovery path
- **Equities remain the asset class of choice** – expect rotation and volatility

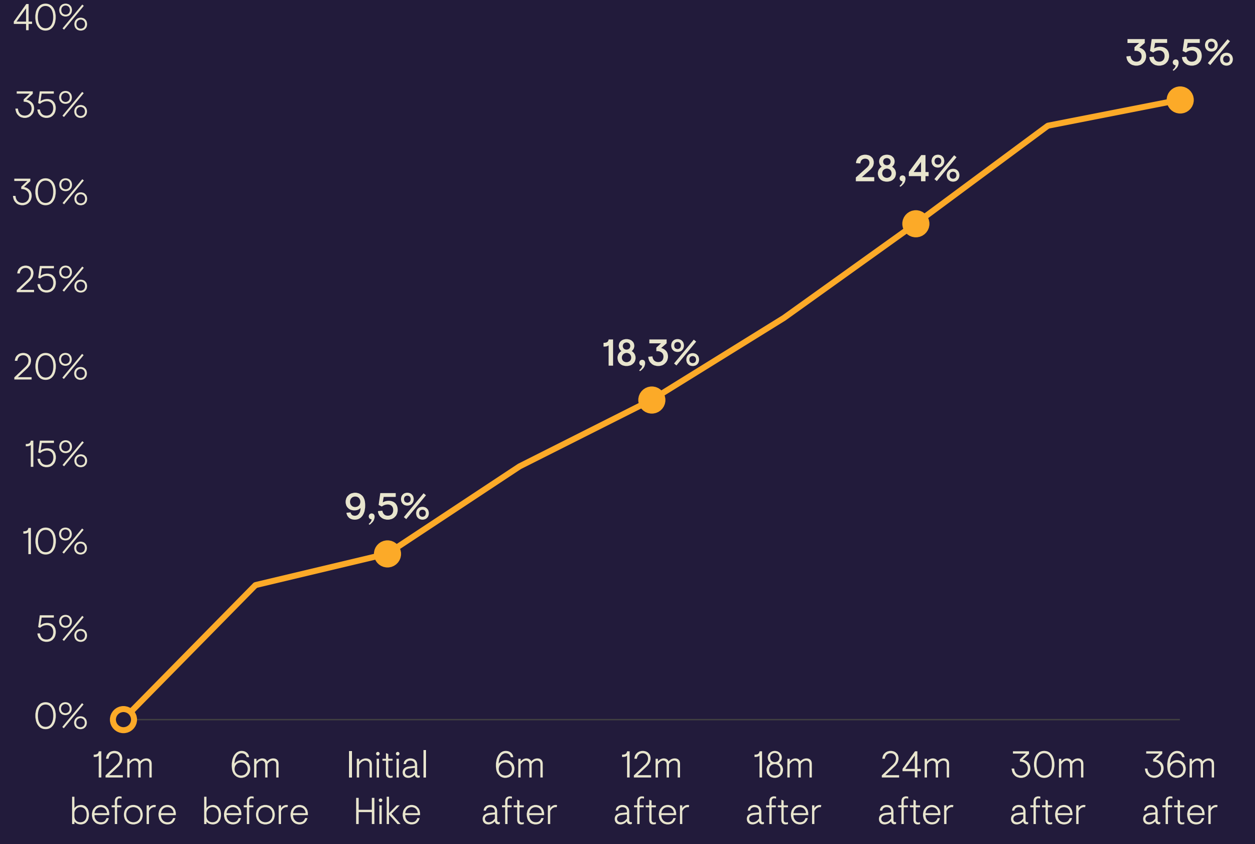


Cartoon credit: Dov Fedler, May 202

Equities have historically held up well during initial interest rake hikes

Real interest rates expected to stay low in 2022, even in the face of 4 Fed hikes

Average S&P500 returns before and after initial interest rate hike



Average returns based on rate hike cycles beginning in 1994, 1999, 2004 and 2015
Source: Standard & Poor's, FRB, Bloomberg, Credit Suisse

MSCI AC World Index – 12m before and 24m after first FED hike

Source: Standard & Poor's, Refinitiv, FactSet, Credit Suisse

Equity exposure

Buy the recovery: Resources, local cyclical companies and tech at a discount

Global defensives – c. 19% of equities

- Earnings expectations remain robust, while valuations are reasonable
- Provide protection against potential ZAR weakness

Naspers, Prosus, Aspen, Mondi

24% (31 Dec '20)

Global cyclicals – c. 34% of equities

- Exposure to diversified miners. Benefitting from tight commodity markets and low inventory levels
- PGM miners to benefit from easing supply chains constraints, low vehicle inventory levels and strong underlying demand

Diversified Miners, PGM Miners, Sappi, Richemont, Sasol

36% (31 Dec '20)

Local defensives – c. 13% of equities

- Earnings revisions and valuations are not as compelling
- Select exposure to Shoprite in food retail
- Moderate allocation to MTN and Healthcare

MTN Group, Shoprite, Bidvest, Life Healthcare, Netcare

8% (31 Dec '20)

Local cyclicals – c. 34% of equities

- 'SA Inc.' exposure
- Banks where our earnings expectations are ahead of the market and valuations are attractive
- Select positions in clothing retailers

FirstRand, Capitec, Absa, Standard Bank, Pepkor, Truworths, Growthpoint

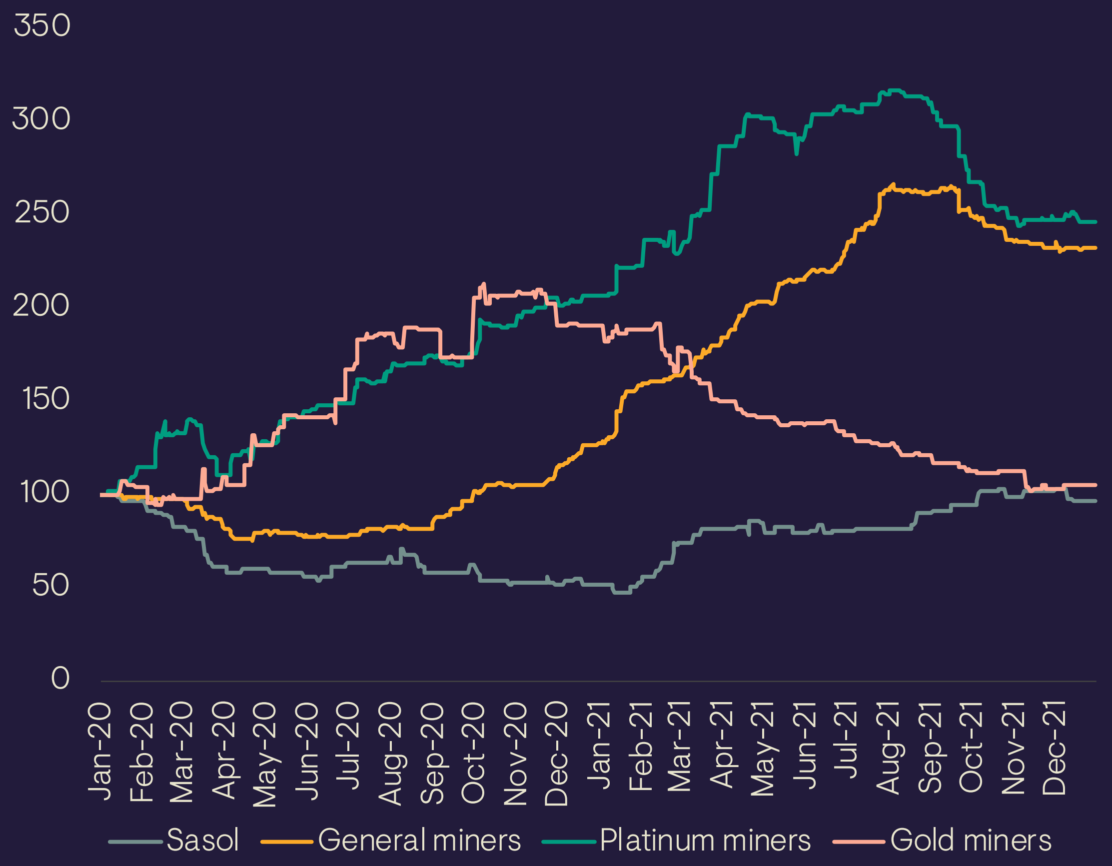
32% (31 Dec '20)

We have employed a more cyclical recovery trade tilt

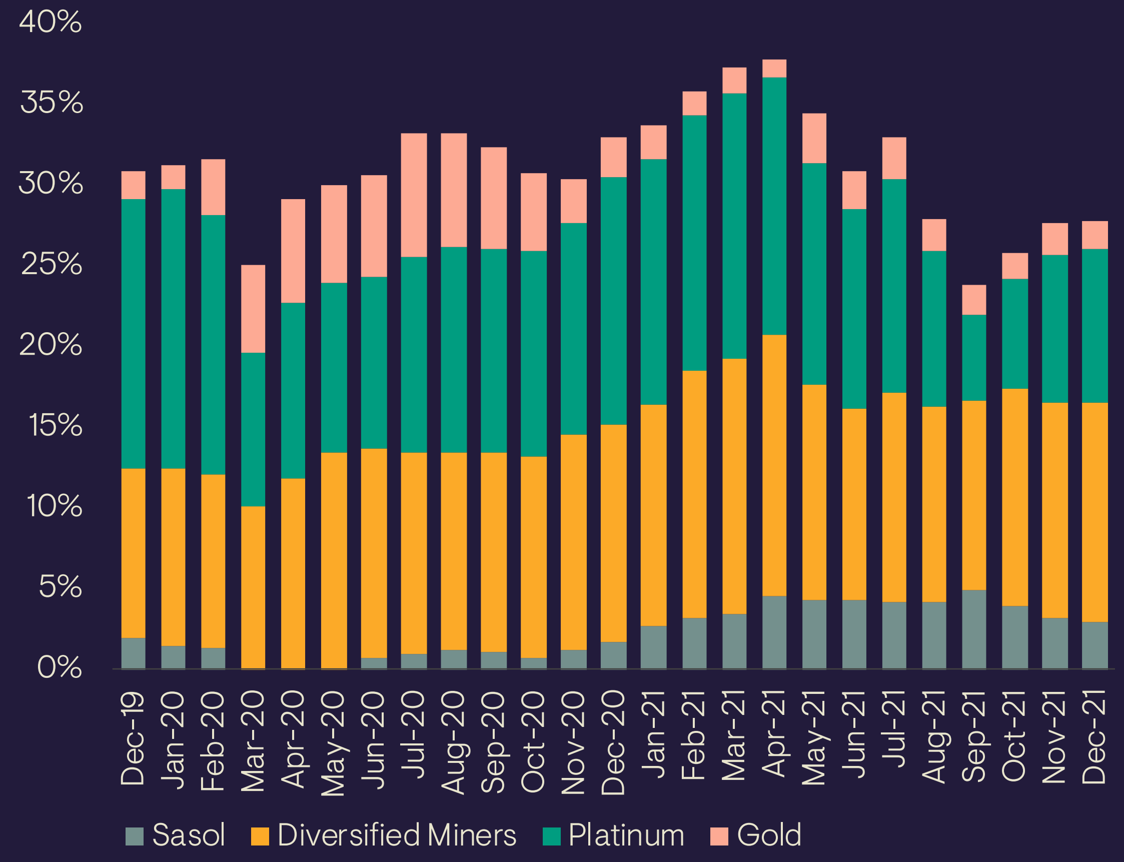
Resources: a key contributor to performance

Robust earnings revisions profile, but all Resources were not equal

Average earnings revisions of Resources sectors
(Jan 2020 = 100)



Exposure to Resources (% of SA equities)



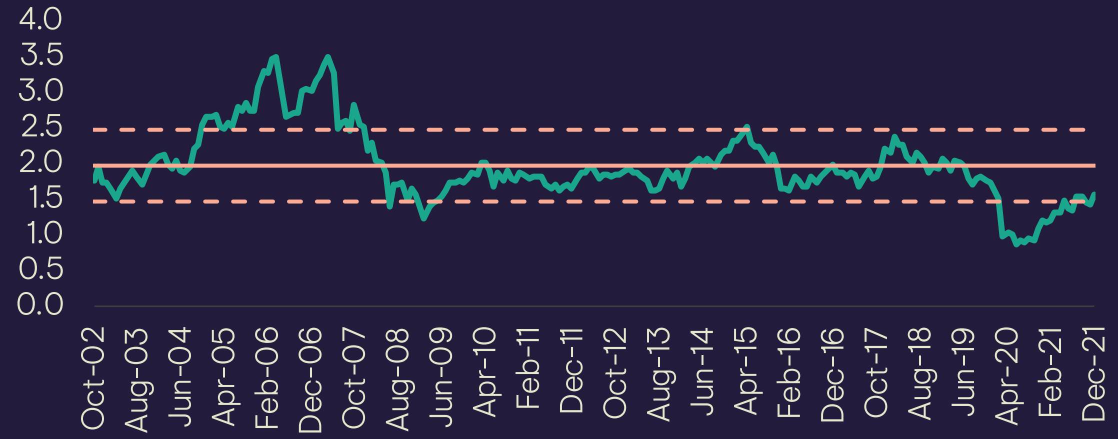
Source: Bloomberg, Ninety One, data as at 31 December 2021
*Diversified Miners includes Anglo American, BHP, Glencore, Kumba Iron Ore, Exxaro and African Rainbow Minerals

Banks: increased allocation to SA banks supporting returns

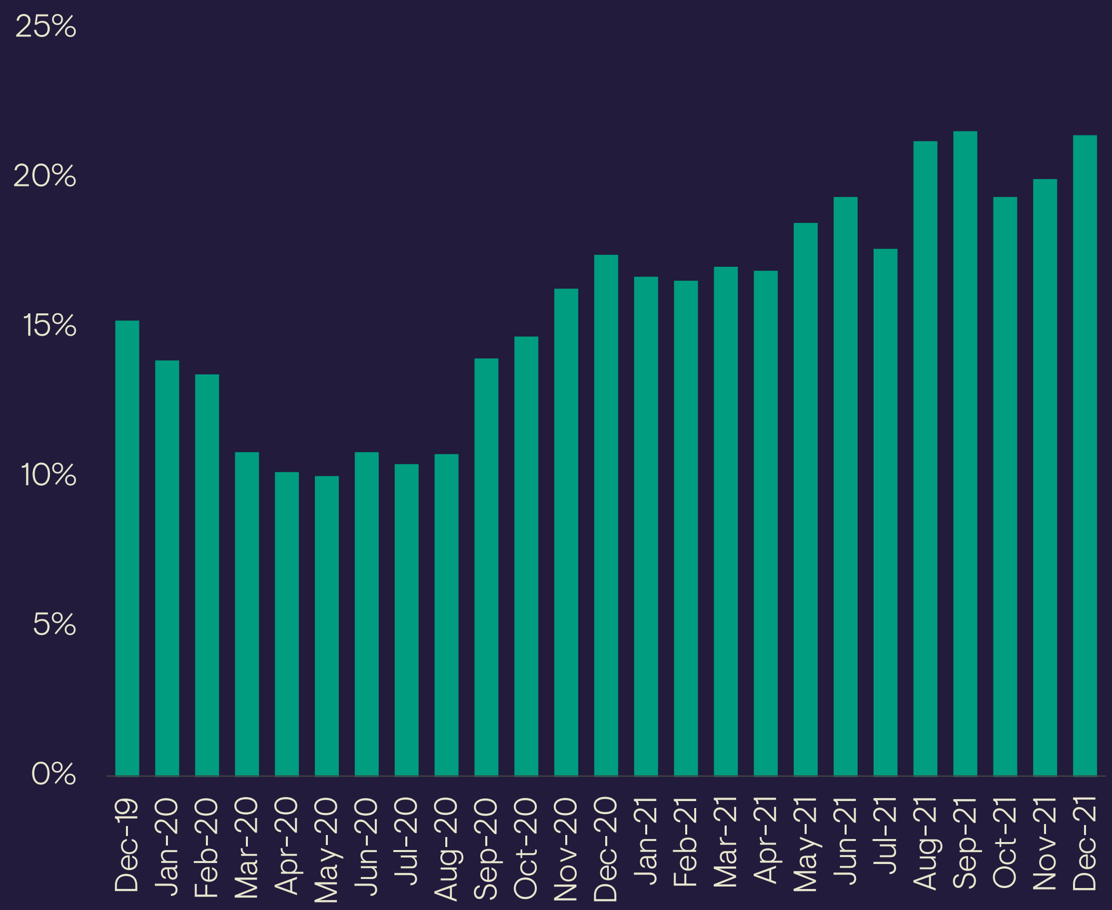
Strong upwards earnings revisions with valuation support

Average earnings revisions of Banks
(Jan 2020 = 100)

Price to book valuations of Banks



Exposure to Banks (% of SA equities)

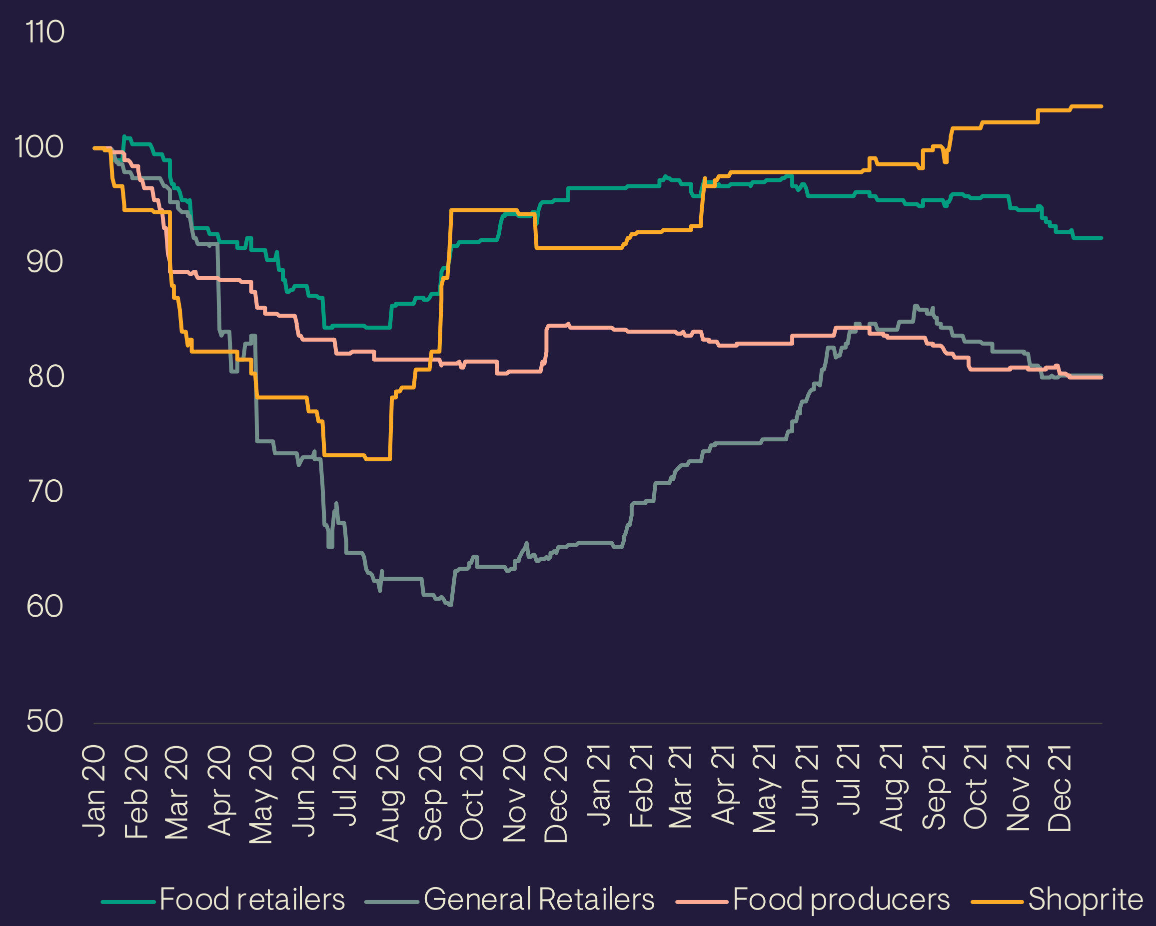


Source: Bloomberg, Ninety One, data as at 31 December 2021

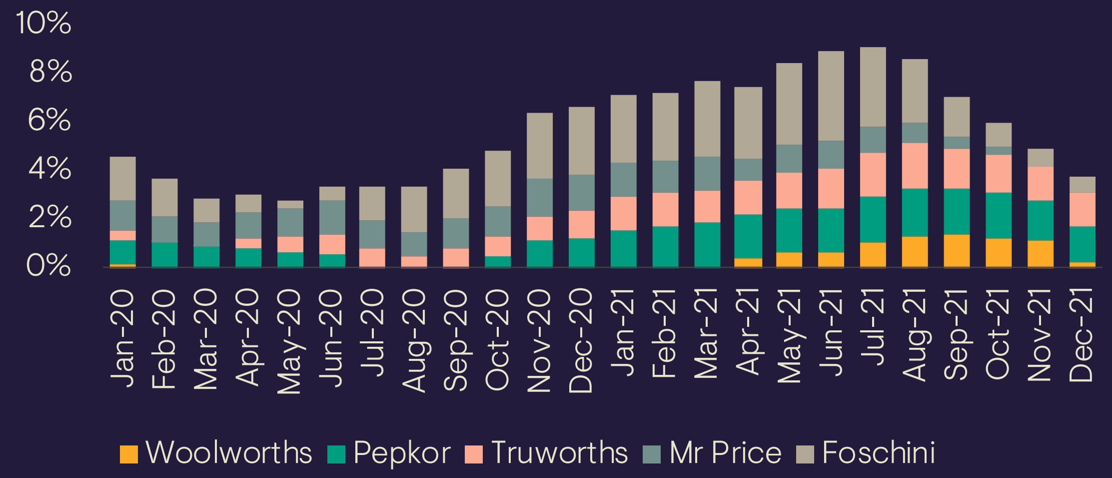
Retailers: Capturing the opportunity as earnings expectations change

Actively increasing our exposure to SA Retailers during latter part of 2020

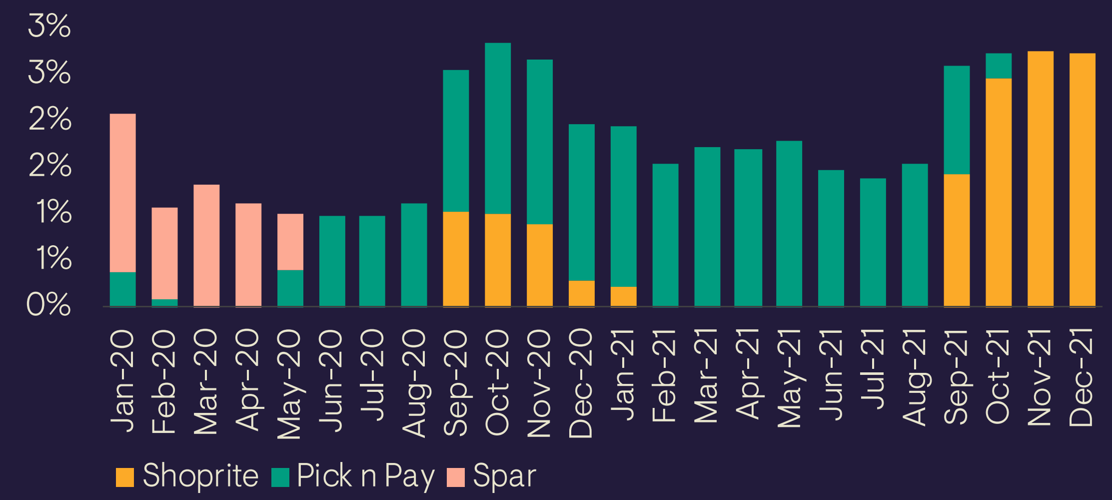
Average earnings revisions by sector
(Jan 2020 = 100)



Exposure to Clothing Retailers (% of SA equities)



Exposure to Food Retailers (% of SA equities)



Source: Bloomberg, Ninety One, data as at 31 December 2021

Well-diversified global equity portfolio to complement the domestic holdings

Allocation to Growth and Defensives balanced with Cyclicals

Defensives / compounders
c. 16% of offshore Equity

- Companies with steady earnings growth profile
- Good Free Cash Flow generators, so have a dividend underpin
- Current valuations offer good value relative to the market

Roche, UnitedHealth Group, Nomad Foods, Asahi Group, Novo Nordisk

Global Growth
c. 35% of offshore Equity

- Companies with high growth opportunities either from
  - Taking market share or
  - A growing addressable market
- Current positioning here has a bias towards the US and China

Amazon, Alphabet, Nvidia, Universal Music, Z Holdings

Global cyclicals
c. 49% of offshore Equity

- Consideration of where we are in the cycle for particular industries
  - Opportunities where earnings are expected to trough and grow off a depressed base OR
  - Companies that are mid/late cycle

Lam Research, Mediatek, General Motors, Unicredit Spa, State Street

We have employed a more cyclical tilt

No representation is being made that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided.
This is not a buy, sell or hold recommendation for any particular security.
Source: Ninety One as at 31 December 2021

Conclusion

- We remain strategically positive on growth assets as we **transition into a mid-cycle** environment (growth and expansion)
- Slowdown in **China's economy** and **supply-side bottlenecks** need close monitoring. **Inflation expectations and wage pricing power** are key risks
- Expect more volatility. **Equities** remain the **asset class of choice.** More **modest equity returns** in medium term
- **SA Banks** looks like an outstanding investment opportunity
- Your fund is managed by an experienced, **globally integrated** investment team

Image Credit: Ophthalmology Times

What differentiates Ninety One Equity Fund

Unique Philosophy

Positive earnings revisions at a reasonable valuation

Active approach

Dynamic portfolio that changes when conditions change

Dependable outperformance

Market beating performance through investment cycles

Core component of clients' portfolio

Ninety One

Thank you

Investing for a world of change