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Investing for a
world of change

From Tail Risks to Tailwinds

Peter Kent

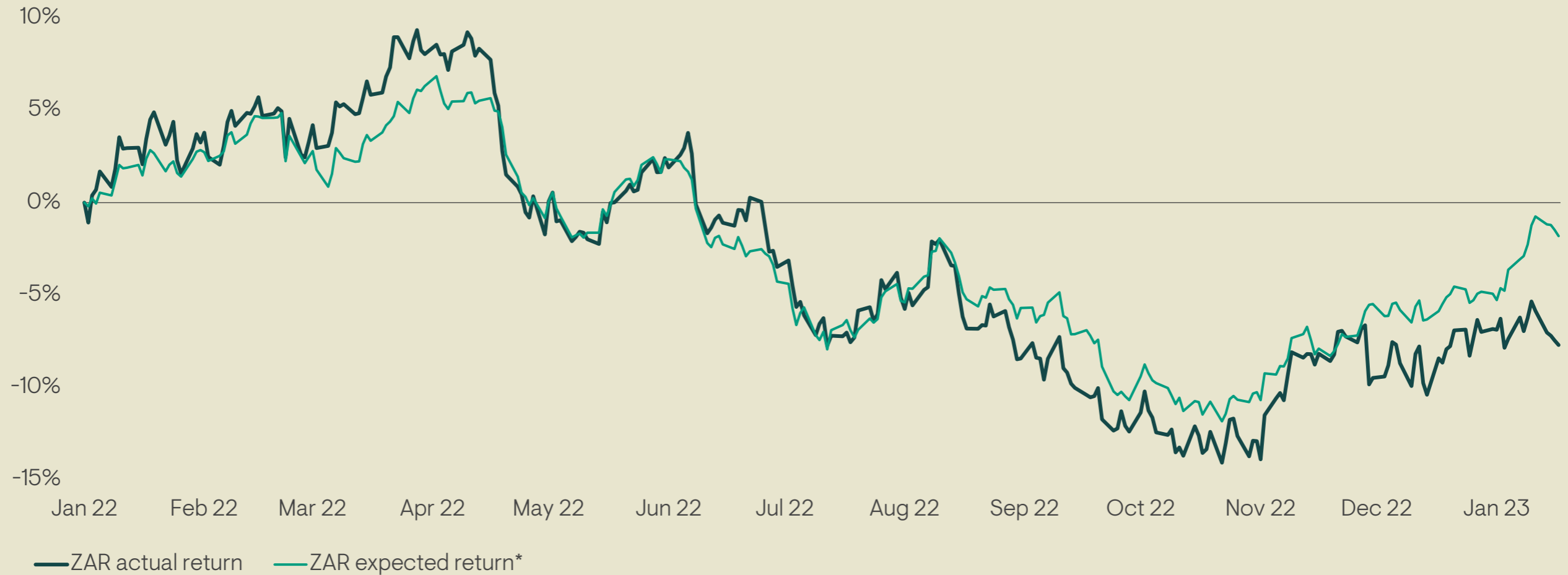
Ninety One Diversified Income Fund



Here's your 2022 action replay...

...strong first half squandered at the final whistle

ZAR performance versus its beta

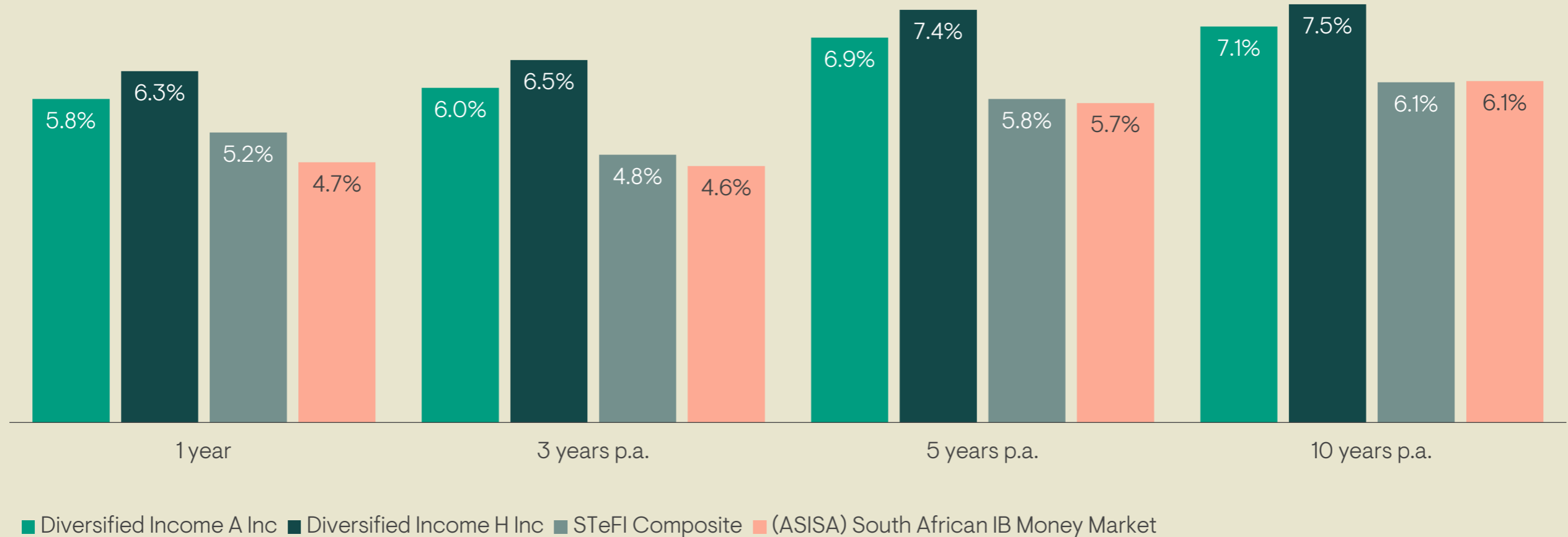


*These are FX returns of the GBI-EM index adjusted for the beta of ZAR to that index
Source: JP Morgan, BBG, Ninety One calculations



Ninety One Diversified Income Fund

Performance



Past performance is not a reliable indicator of future results, losses may be made.

Source: Morningstar, dates to 31 December 2022, 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.

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. A share class since inception (1 December 2009): Jul-12 12.8% and Jan-14 4.1%; H share class since simulated inception (1 September 2008): Jul-12 13.4% and Jan-14 4.5%

The Fund is actively managed. Any index is shown for illustrative purposes only.



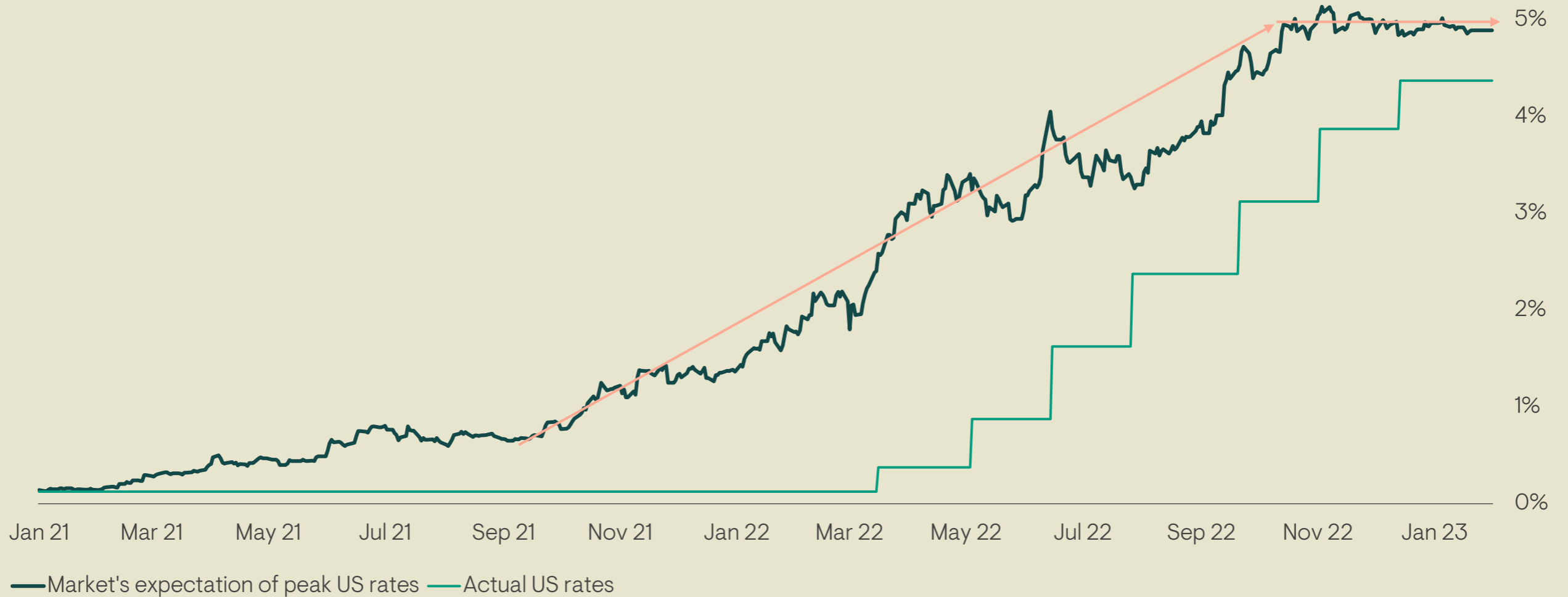
The global inflation tail risk

How many rate hikes are enough?



The never-ending Fed...

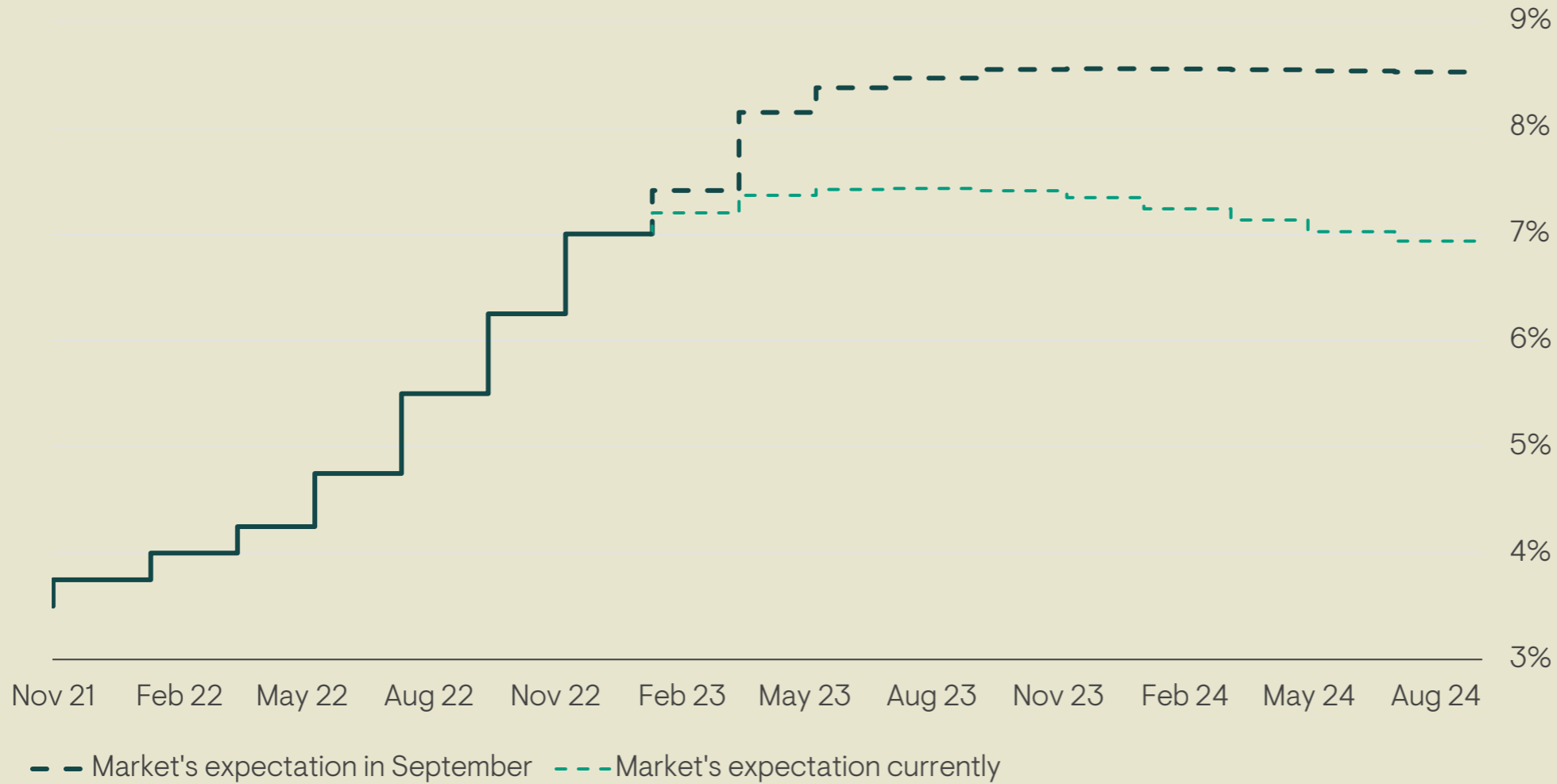
...has finally plateaued





Tailwind: Less hikes on the table...

...the SARB can finally slow down





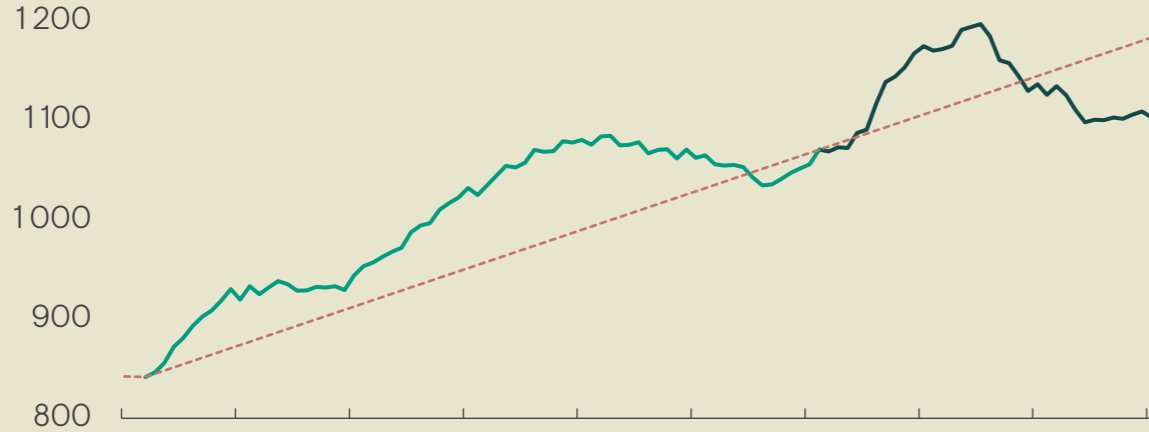
The global growth tail risk

Imminent recession in China and Europe?

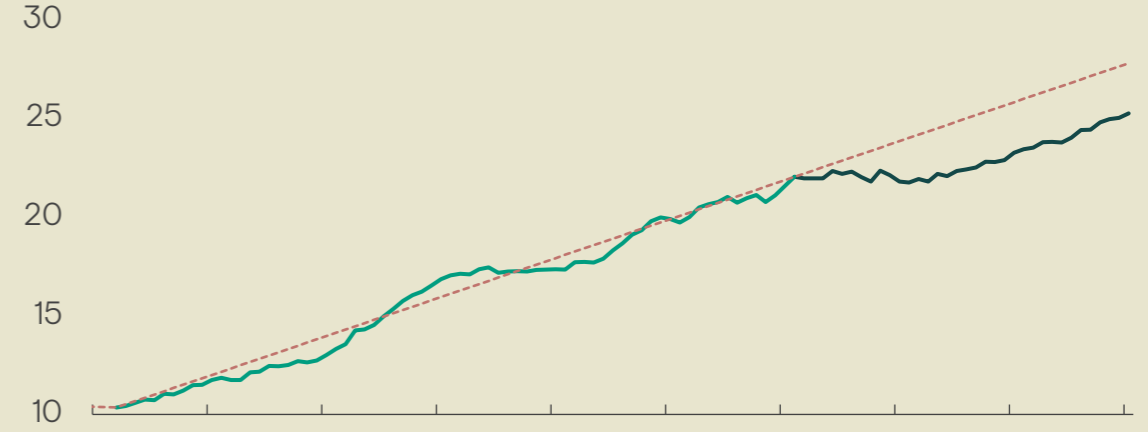
The great wall finally reopens...

...Chinese spending to come

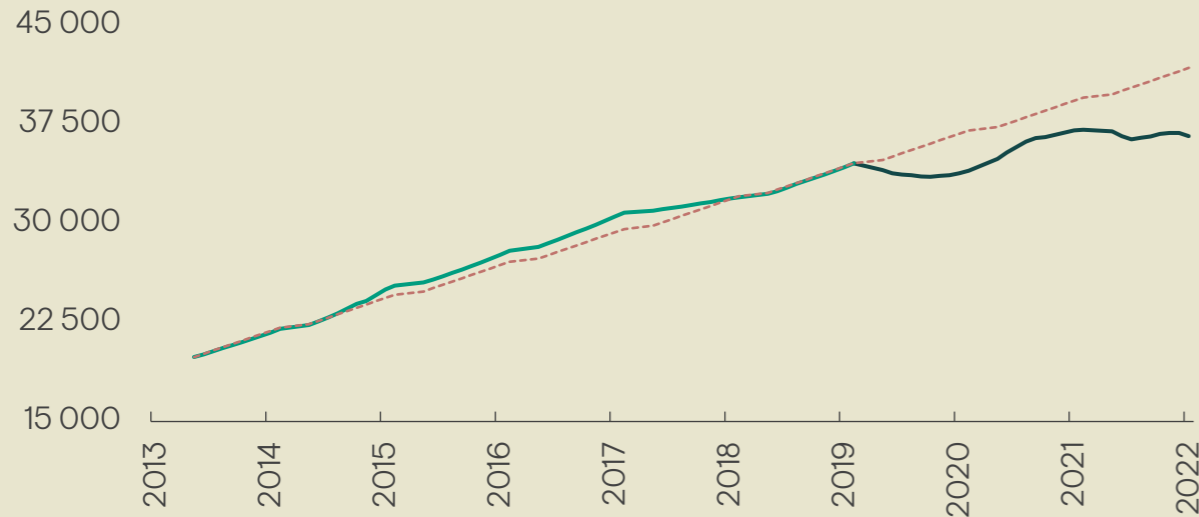
Iron Ore import volumes (Million Tonnes)



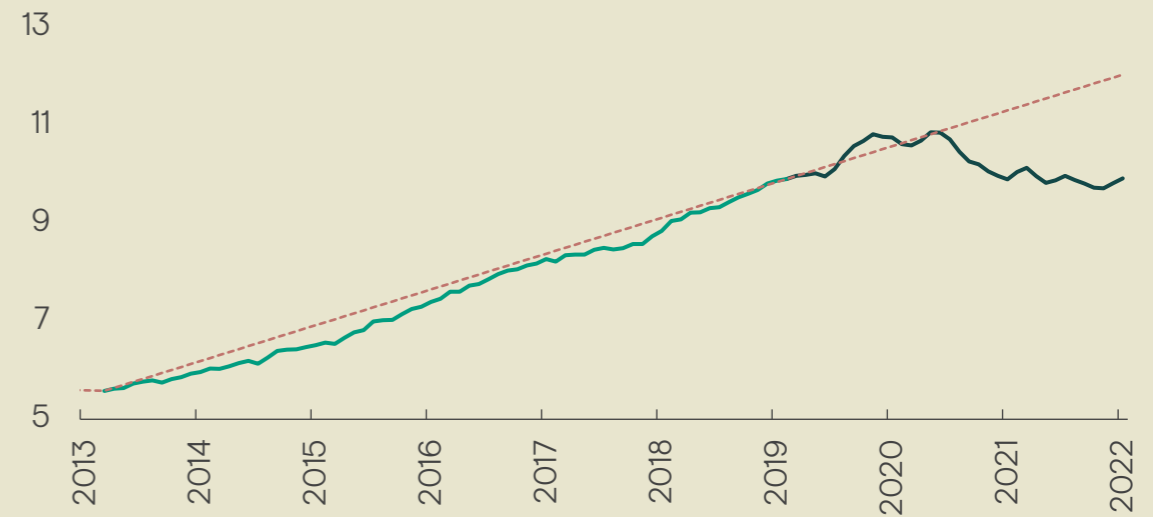
Copper import volumes (Million Tonnes)



Retail sales (Billion RMBs)



Crude Oil import volumes (Million bpd)

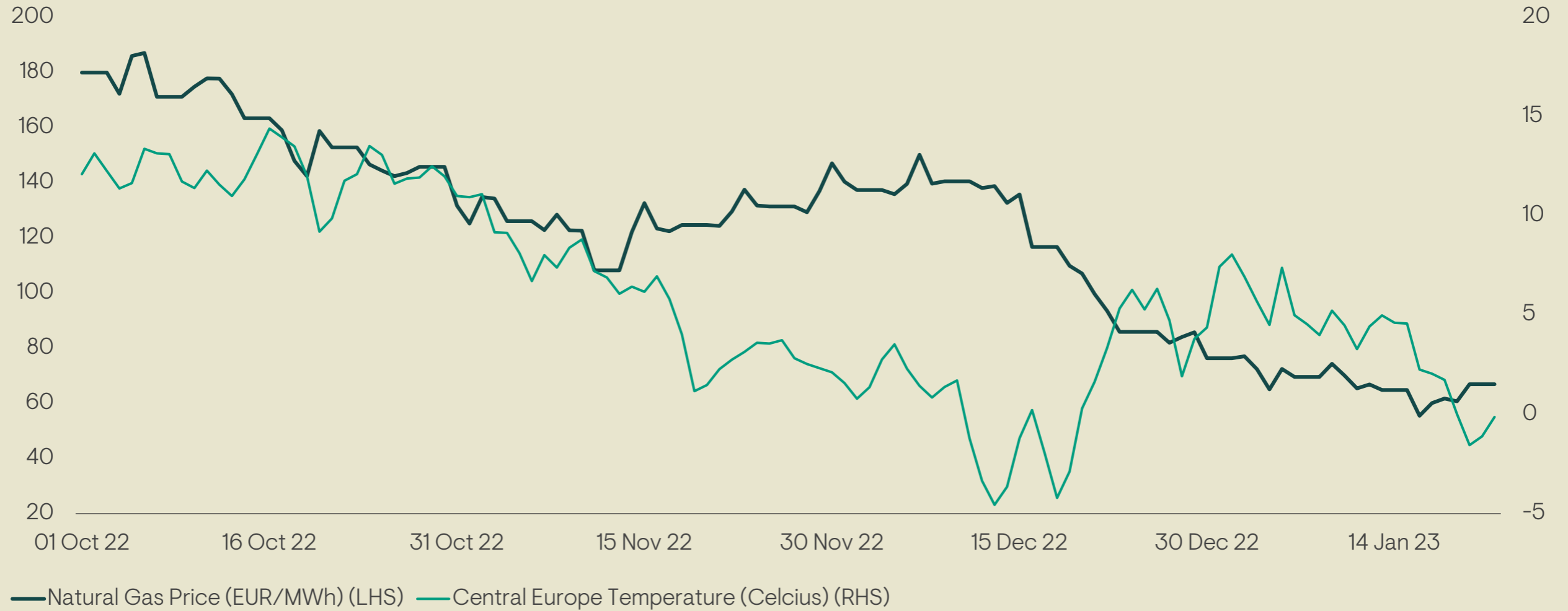


— Post COVID — Pre COVID - - - Pre COVID Trend



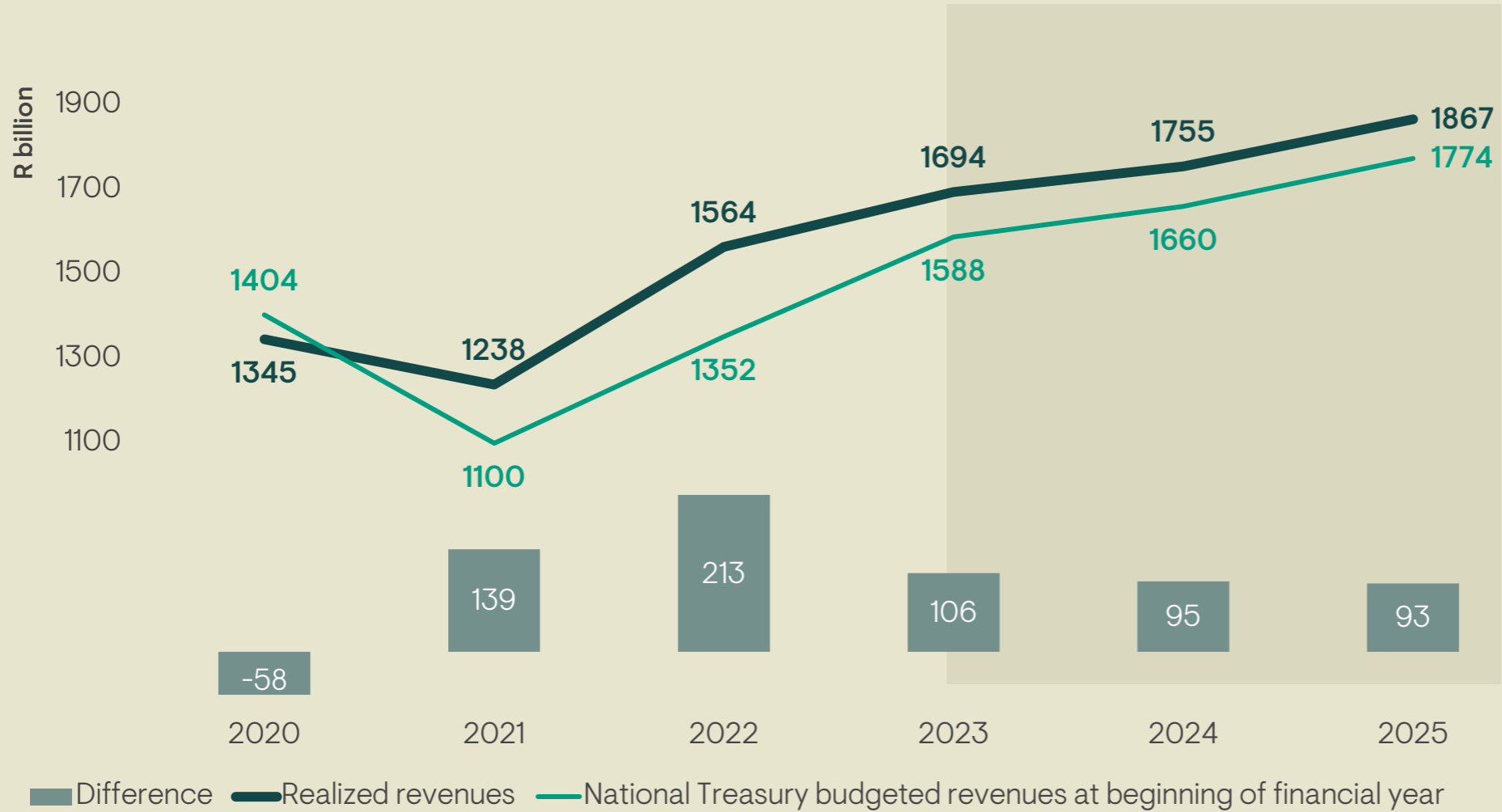
A re-energized Europe...

...thanks to warm weather



Tailwind: Revenues upgraded...

...to platinum status





The developing tail risk

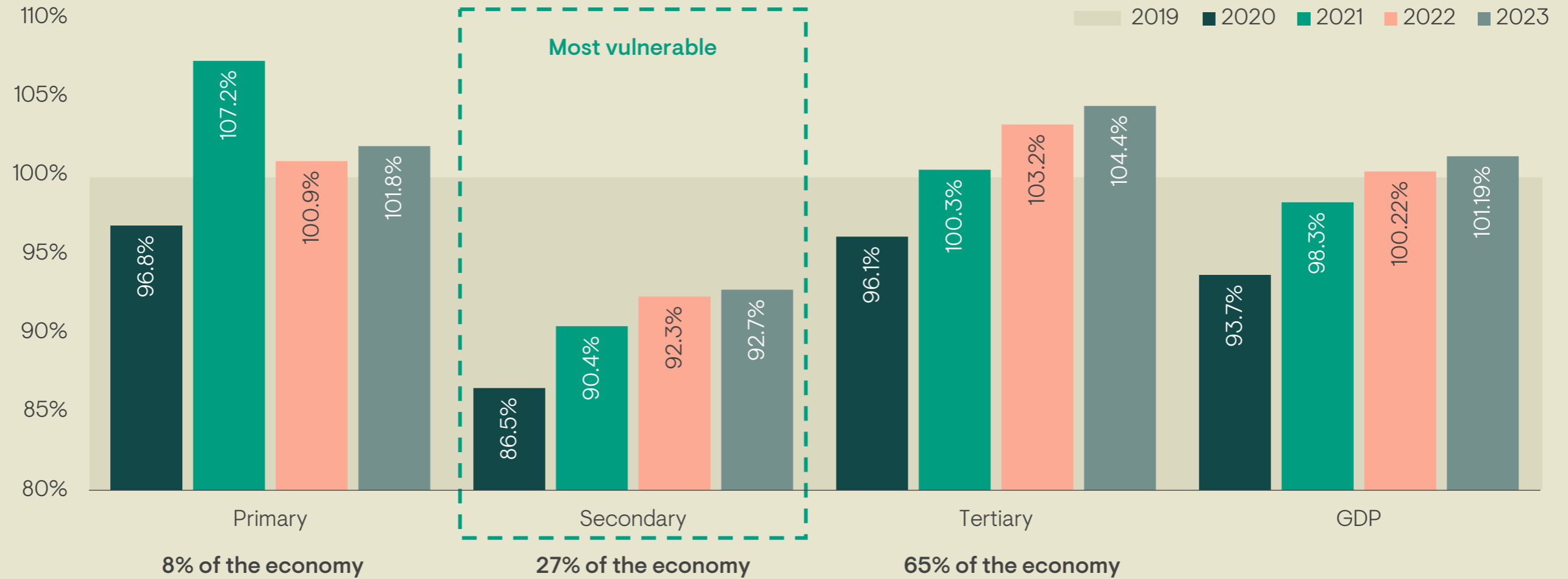
ESKOM Stage 6



No more load to shed...

...in the economic engine room

Production as a % of 2019





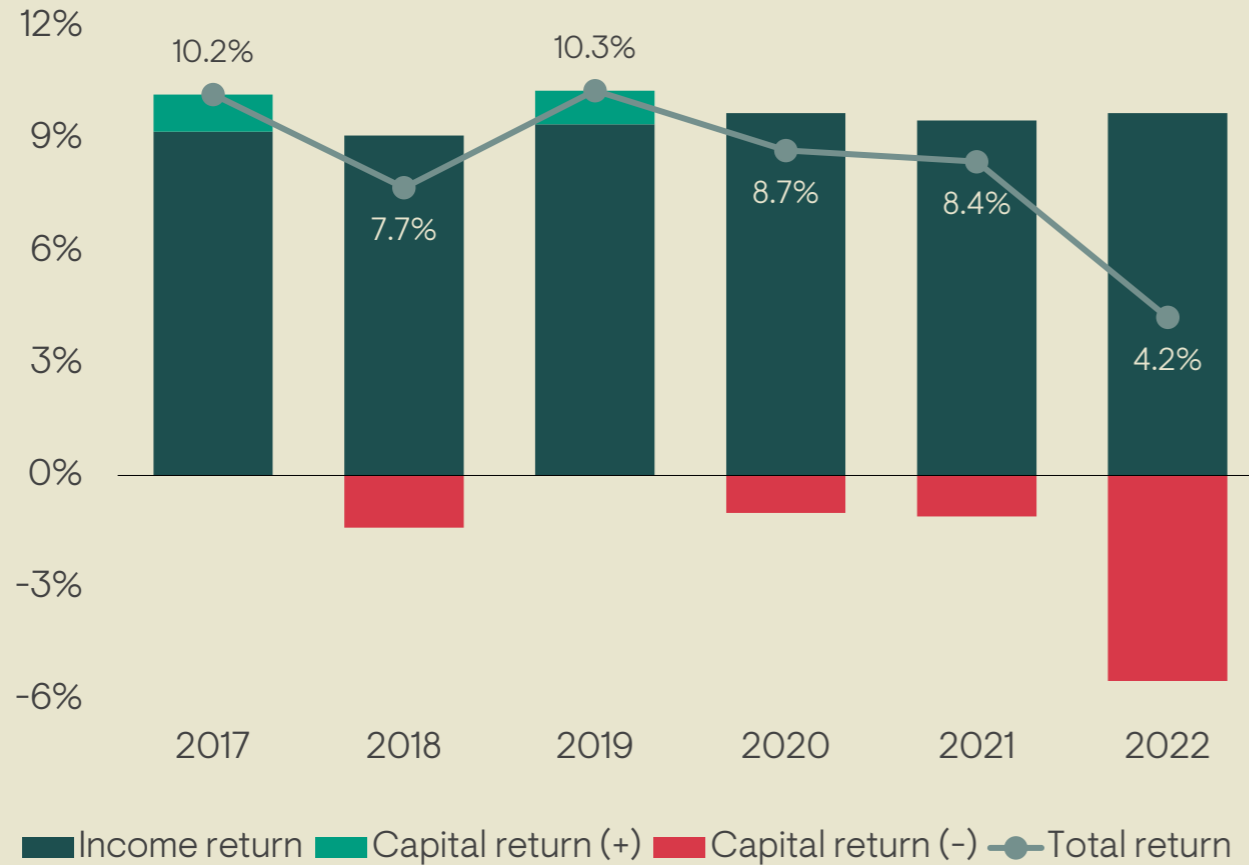
Which tail will wag?



The power of income ...

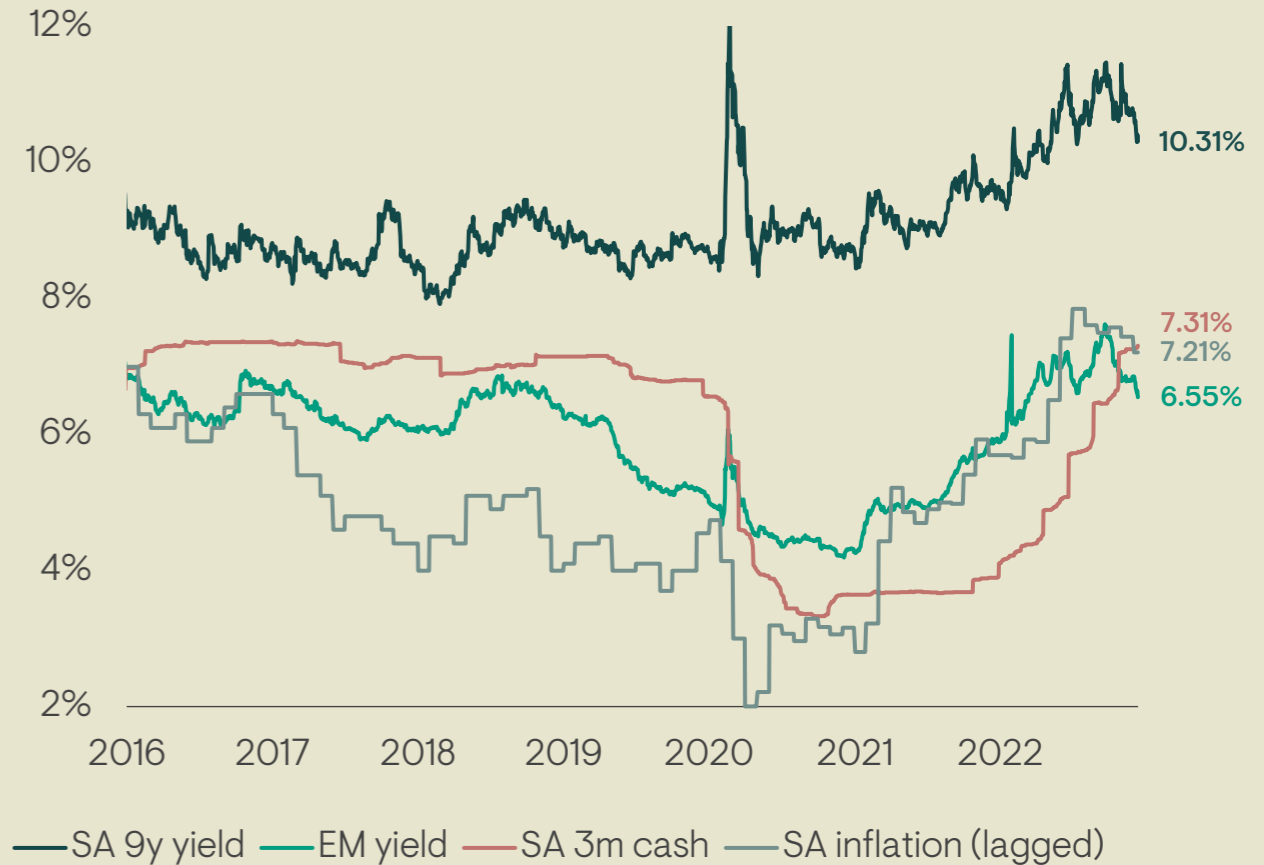
...valuations still your best friend

ALBI returns for the last 6 years



Source: Bloomberg and Ninety One, 31 December 2022

Valuations



Source: Bloomberg and Ninety One, 12 January 2023



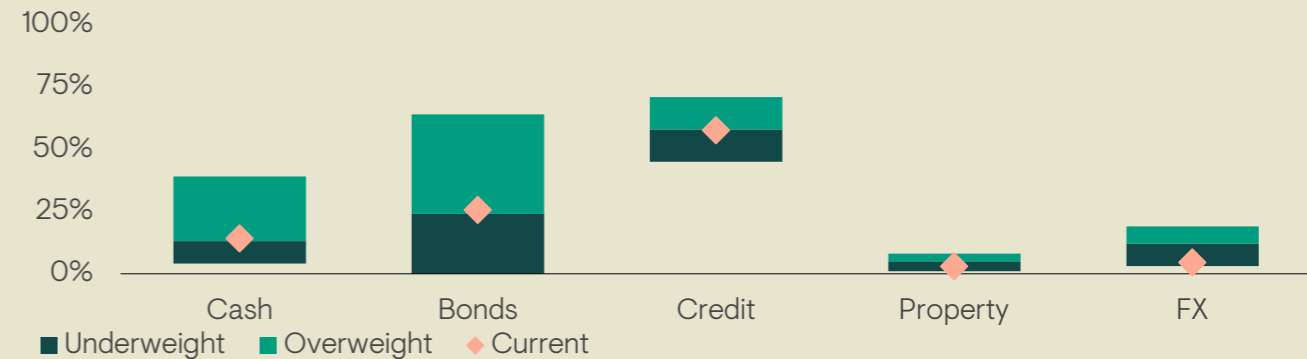
Ninety One Diversified Income Fund

Positioned to Participate and Protect

- Rate hikes are slowing
- China and Europe are helping
- Eskom a risk
- The power of income

Duration		Exposure		Yield**
Nominal	1.37	USD	2.8%	9.27%
ILBs	0.08	EUR	0.3%	
		EM	1.4%	
Years	1.45	FX	4.5%	

Asset allocation	Cash	Bonds	Credit	Property	FX
Current	14.1%*	25.5%	57.5%	2.9%	4.5%
Local	13.1%	24.0%	50.9%	2.9%	
Offshore	1.0%	1.5%	6.6%	-	



*NCD's 15.2%

**Current yield as at 23 January 2023. The yield is calculated by estimating the income receivable of all the instruments in the fund divided by the net asset value.

Source: Ninety One, 23 January 2023



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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.

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