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Investing for a
world of change

2023 Insights

Clyde Rossouw

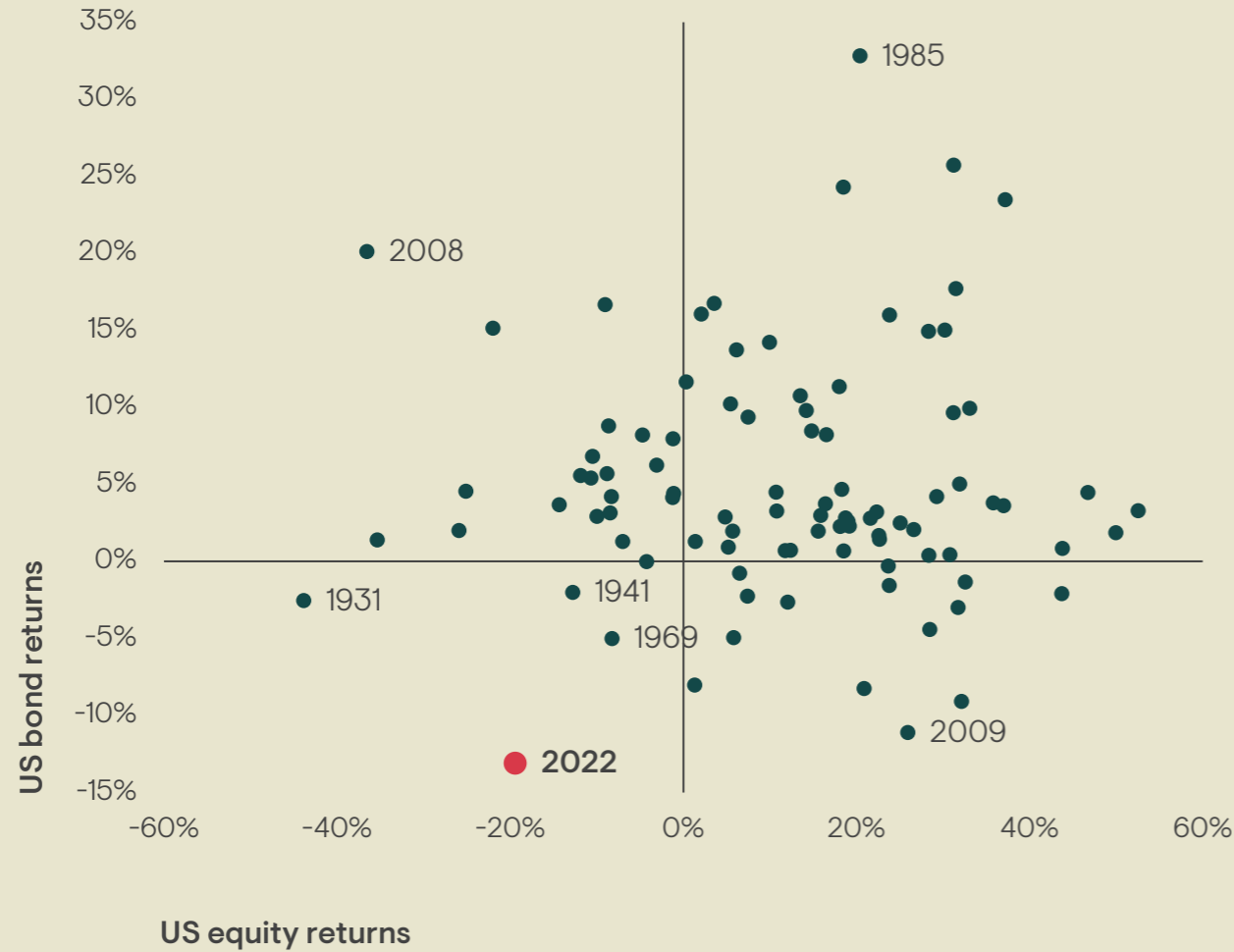
Ninety One Cautious Managed,
Opportunity & Global Franchise Funds

Co-Head of Quality

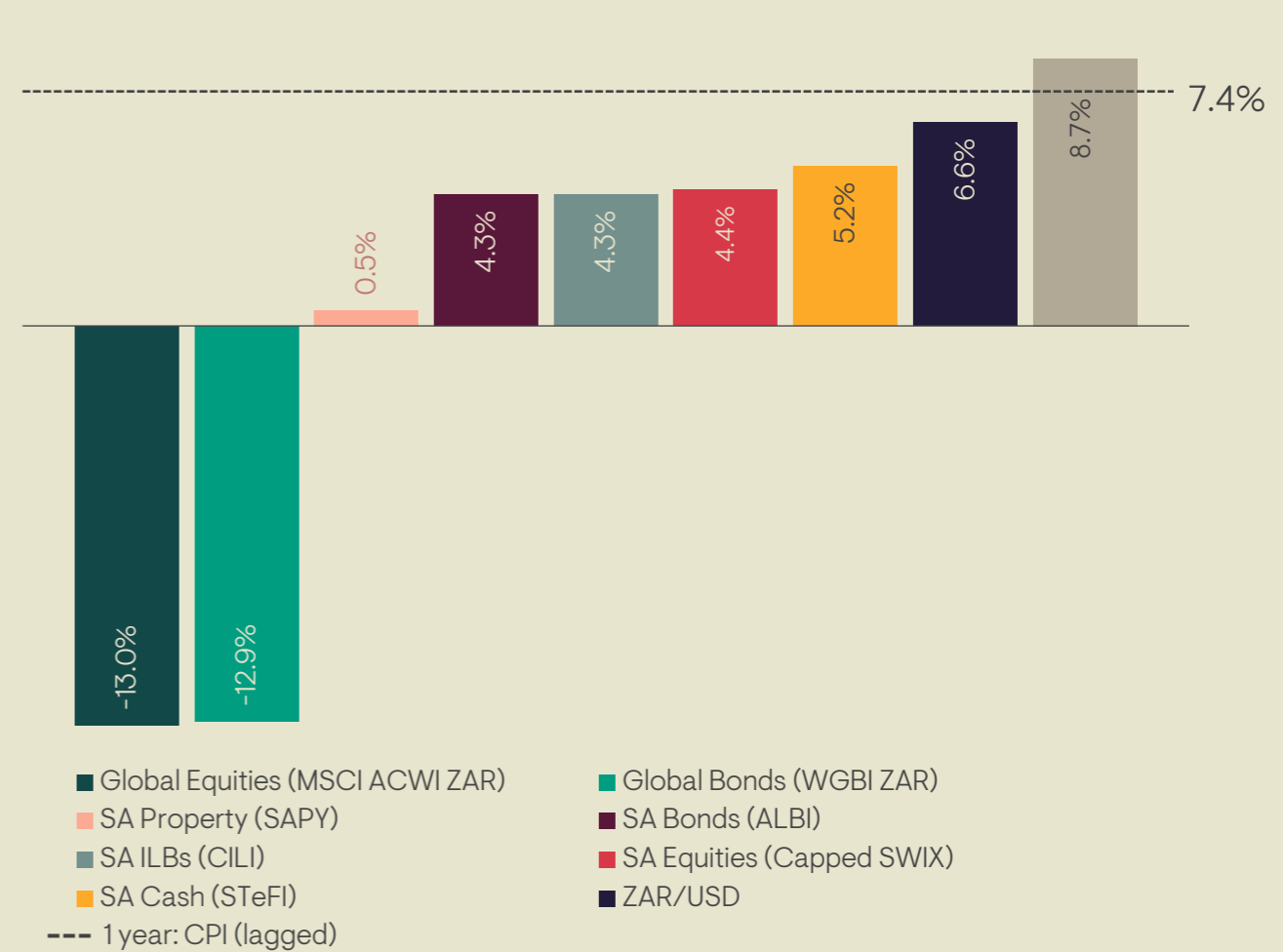
A year for the history books

Is the return outlook better for 2023?

US stocks vs bonds returns for each year from 1871 to 2022



2022 asset class returns





Key considerations for the year ahead

What to expect when you're expecting



2022 macro challenges

- Inflation
- Supply chain disruption
- China lockdown
- Monetary policy tightening
- GDP and earnings growth
- Debt levels/fiscal support
- Russia-Ukraine war
- Geopolitical risk

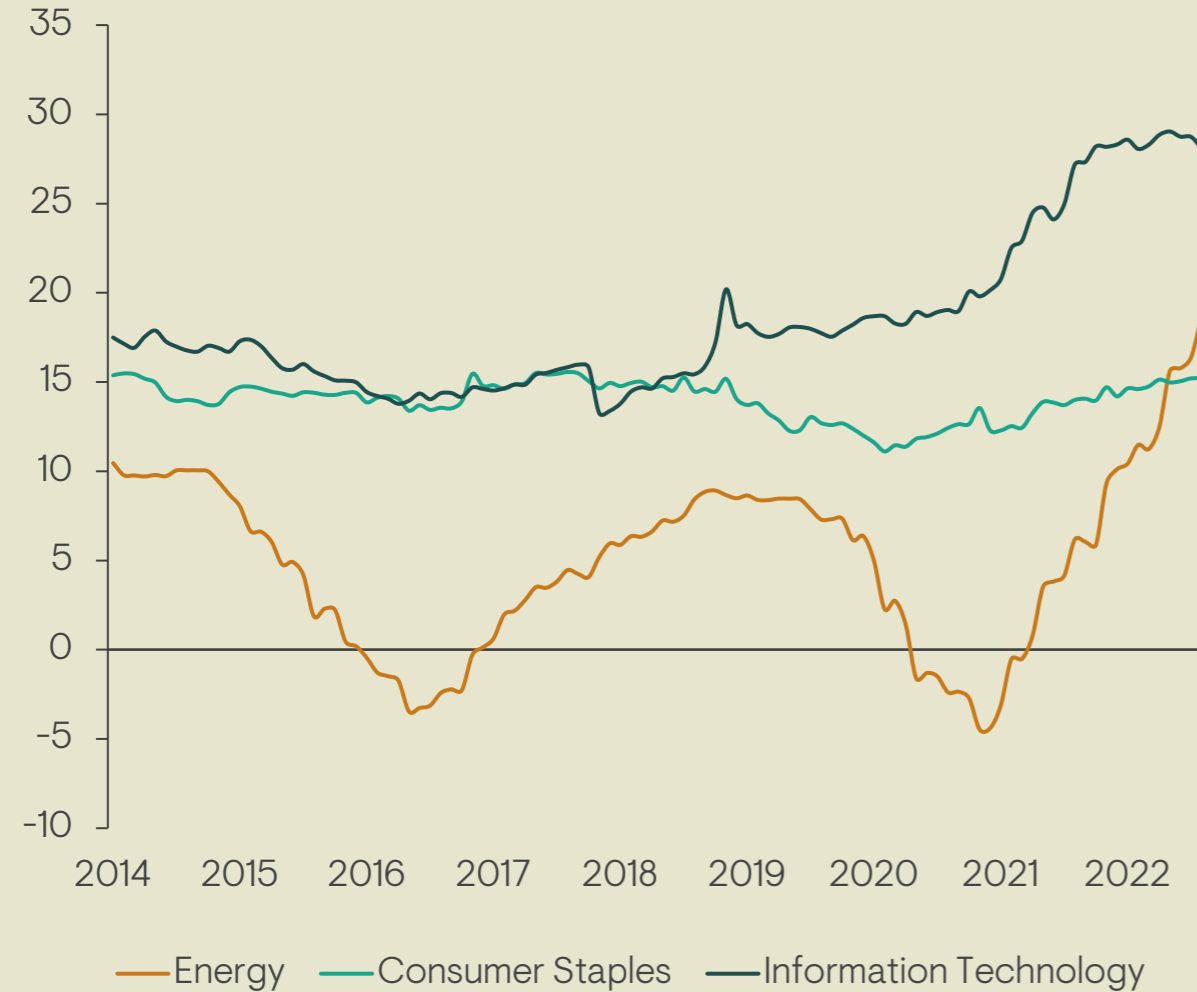
2023 outlook

- Better
- Better
- Better
- Worse than better
- Worse
- Worse
- Uncertain
- Uncertain

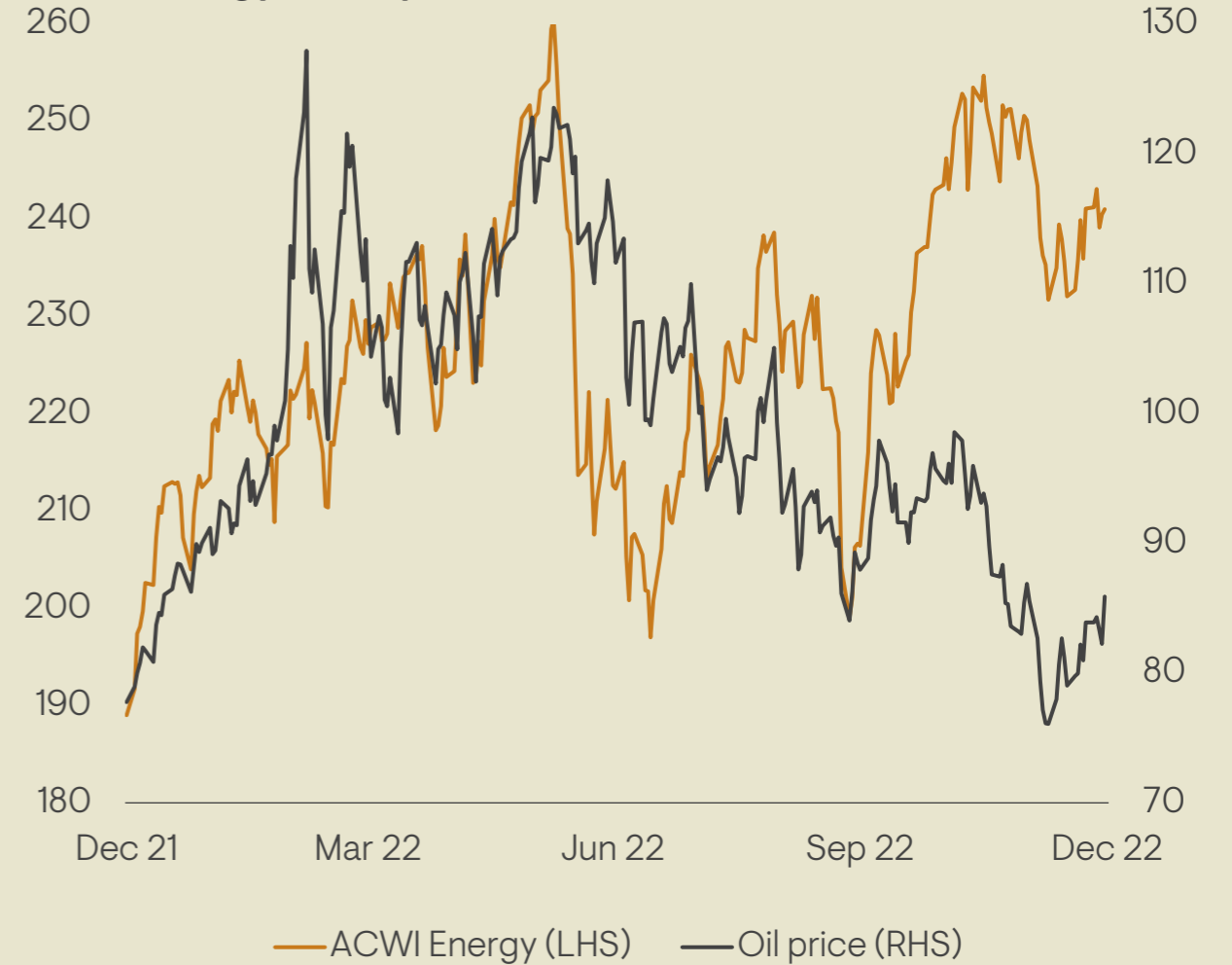


Where next for the Energy sector?

MSCI sector focused indices: ROIC %



ACWI Energy vs Oil price

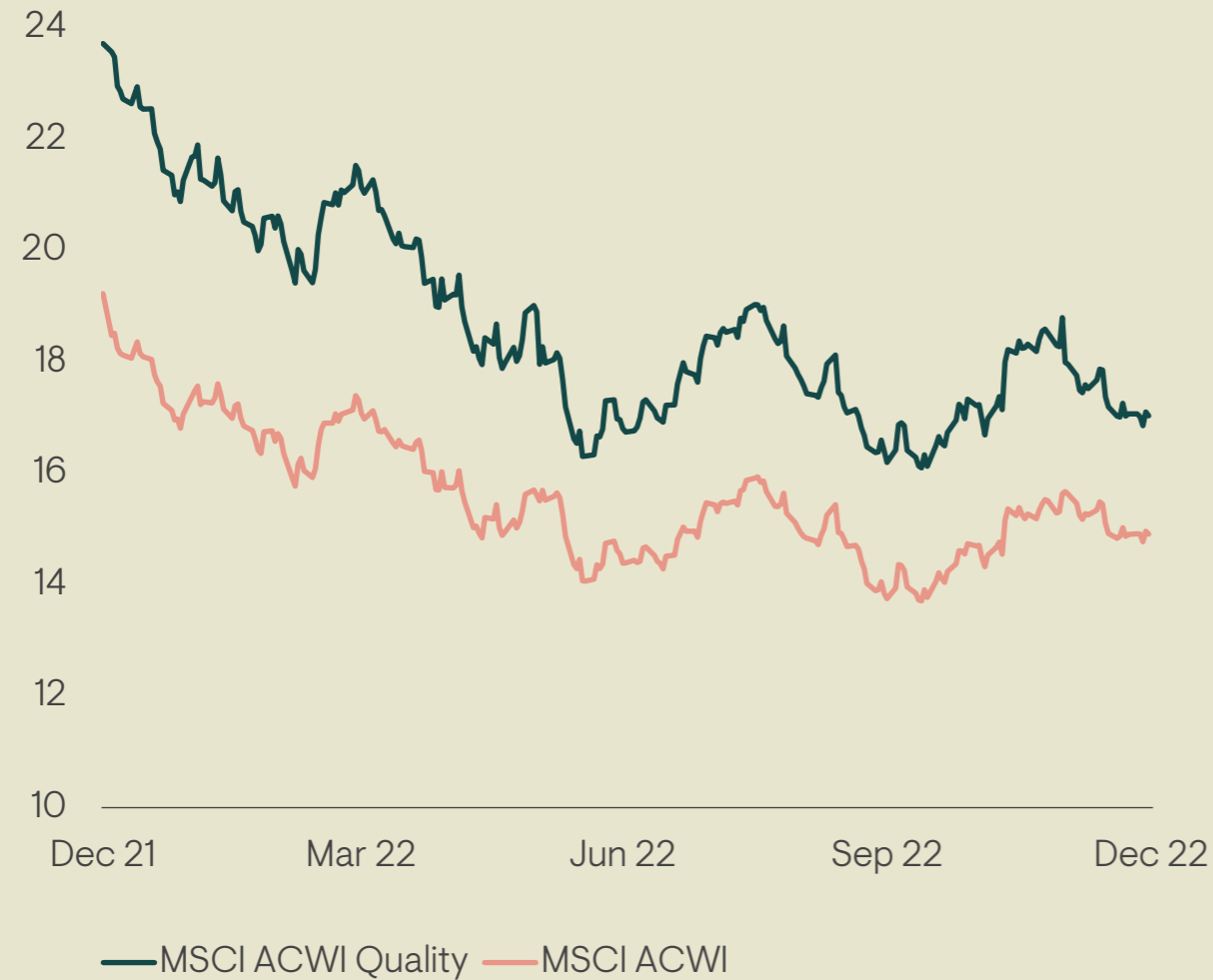


Sources: Ninety One and FactSet, 31 December 2022. Re-weighted excluding cash and equivalents showing metrics of the constituent companies, since inception. For further information on indices, please see the Important Information section.

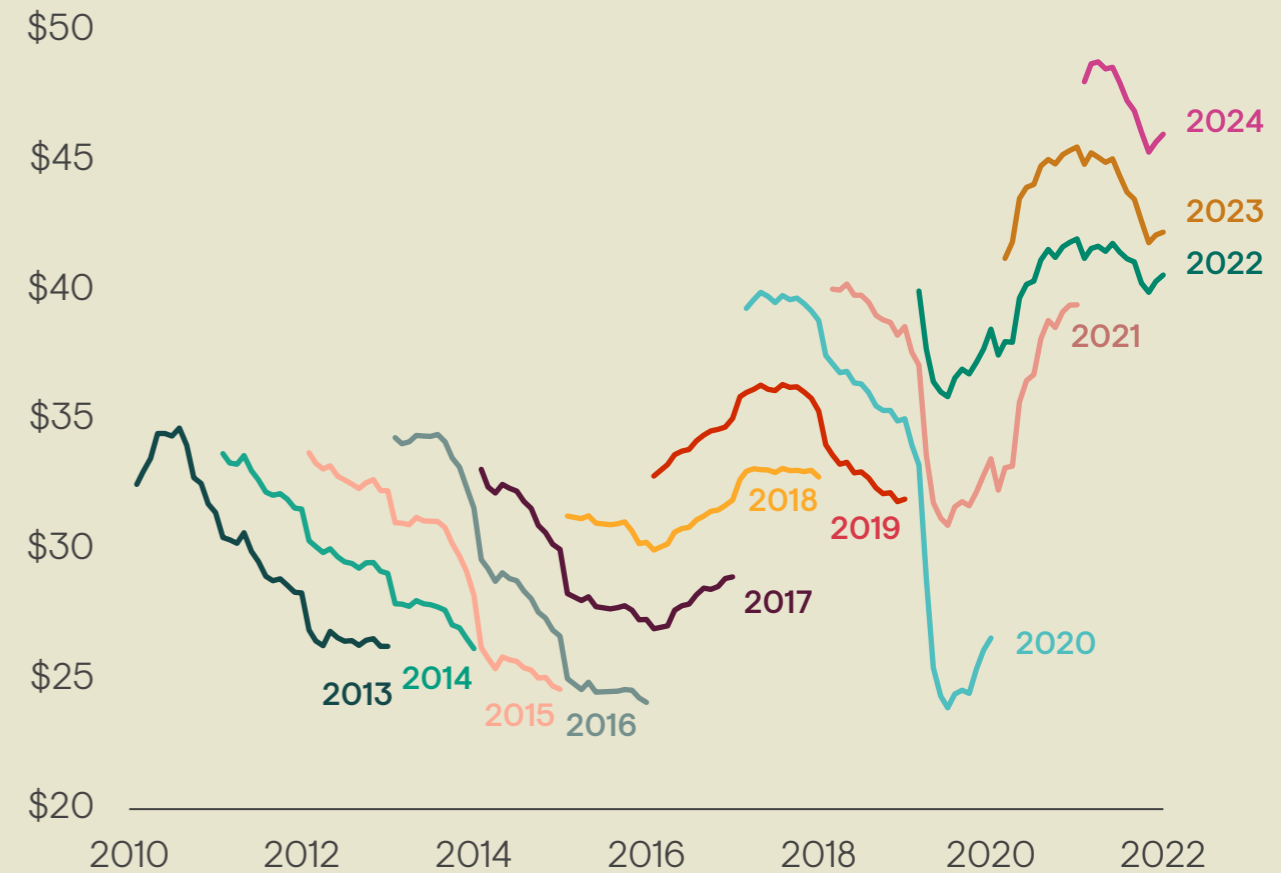


Markets have derated but earnings forecasts still elevated

MSCI ACWI Quality & MSCI ACWI fwd P/E ratios

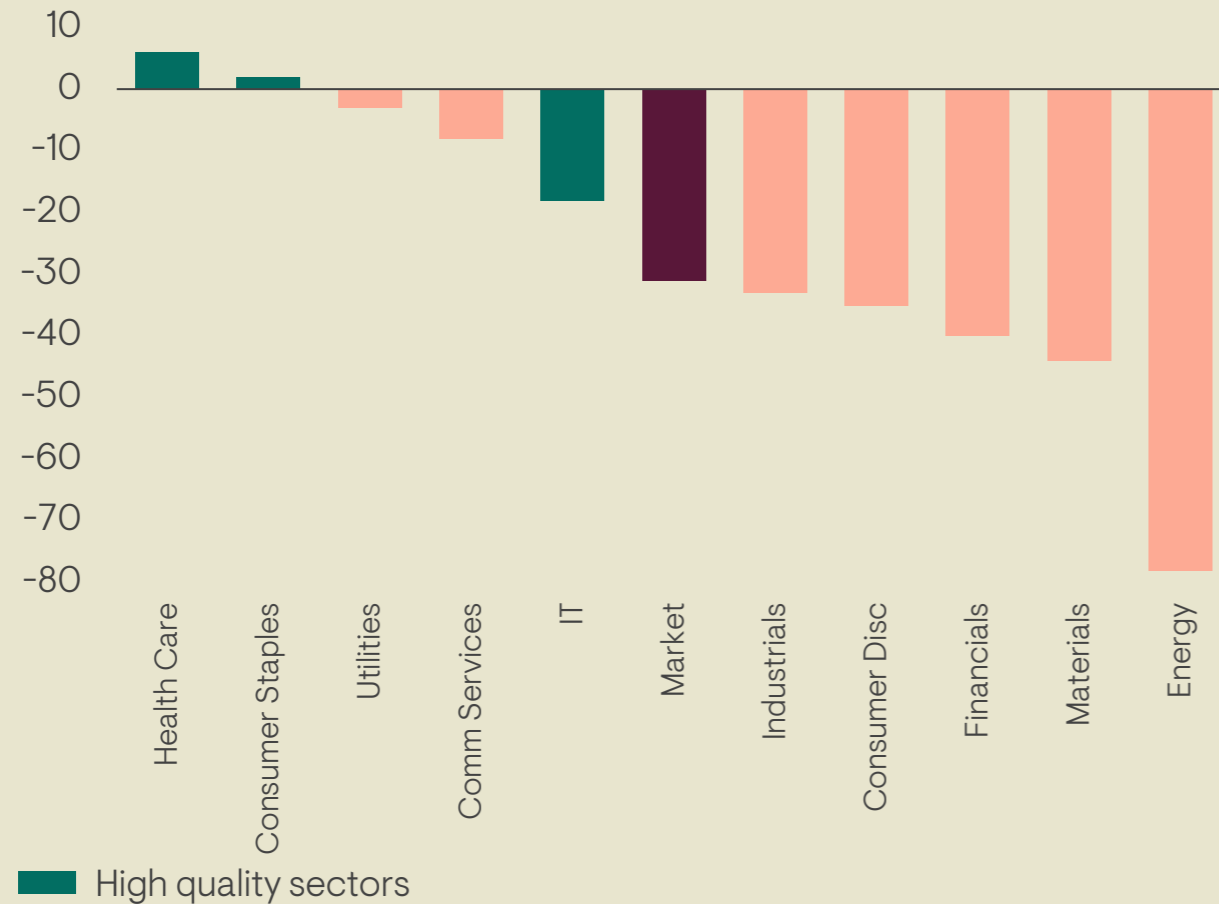


MSCI ACWI consensus EPS forecasts

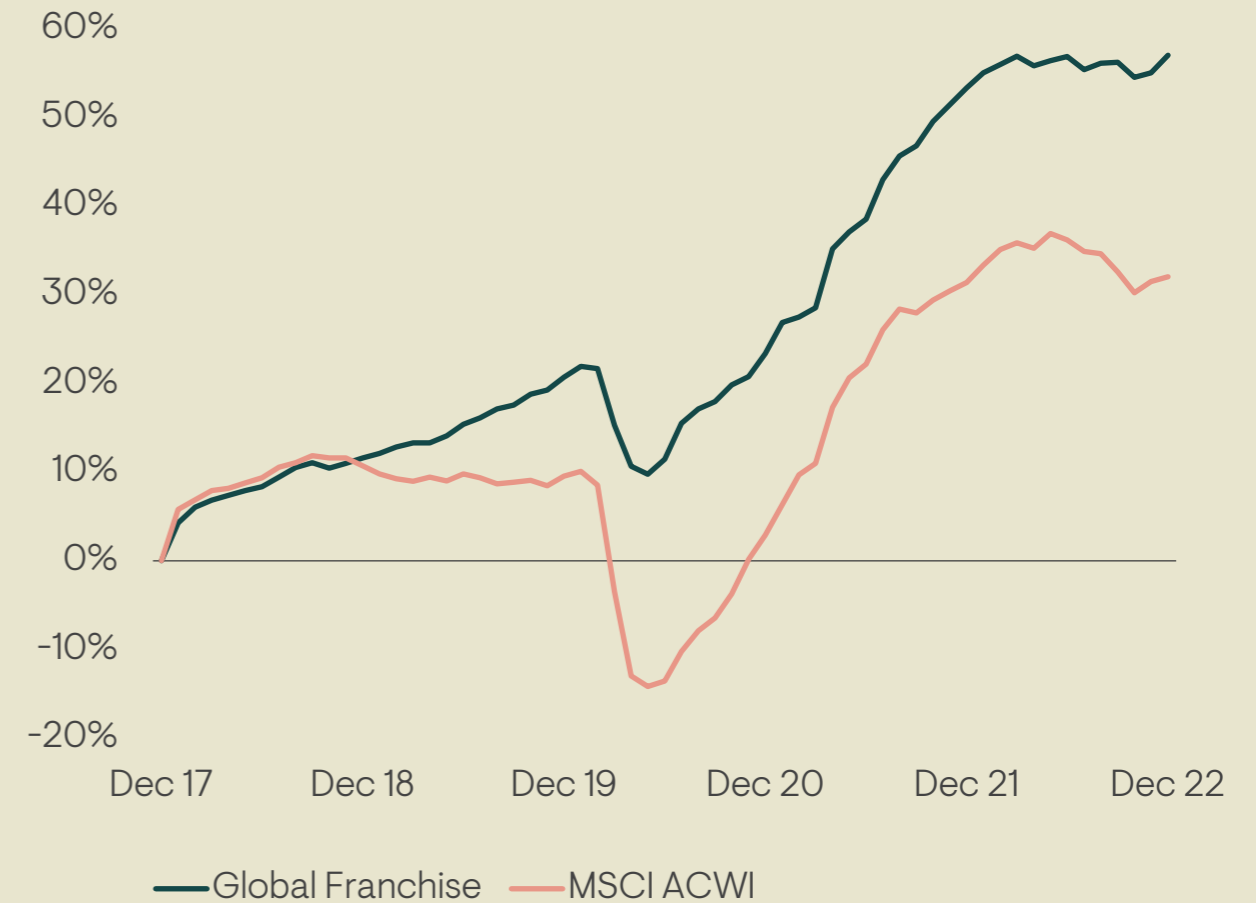


Quality earnings resilience

Average global sector EPS % change during previous EPS recessions (EPS falling >10%, last 15 years)



Global Franchise vs MSCI ACWI earnings progression (last 5 years)



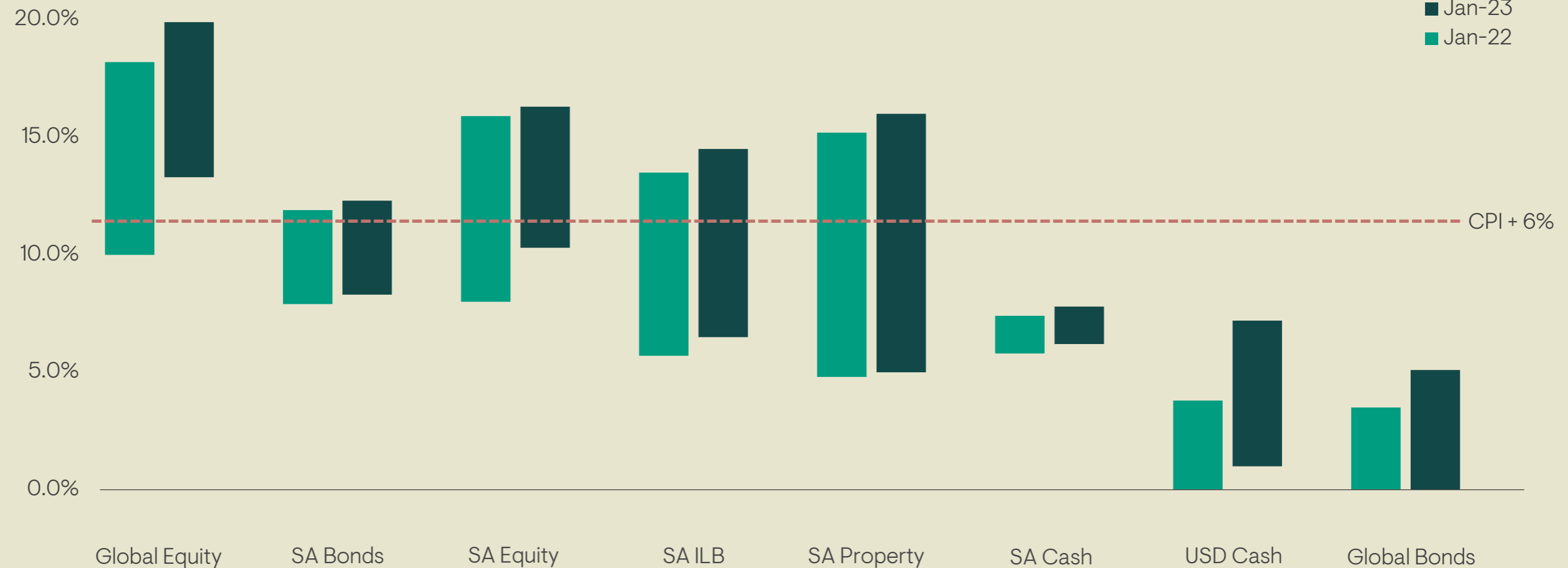
Source: Citi Research, Global Equity Strategy, October 2022, Market: MSCI ACWI (LHS). Source: Ninety One, Bloomberg, 31 December 2022 (RHS)
 Global EPS recession dates: 31 Jan 2008 - 29 Jan 2010; 27 Feb 2015 - 31 Oct 2016; 31 Mar 2020 - 30 Nov 2020



After a tough year, the opportunity set has improved

January 2022 vs January 2023

Expected 5 year returns



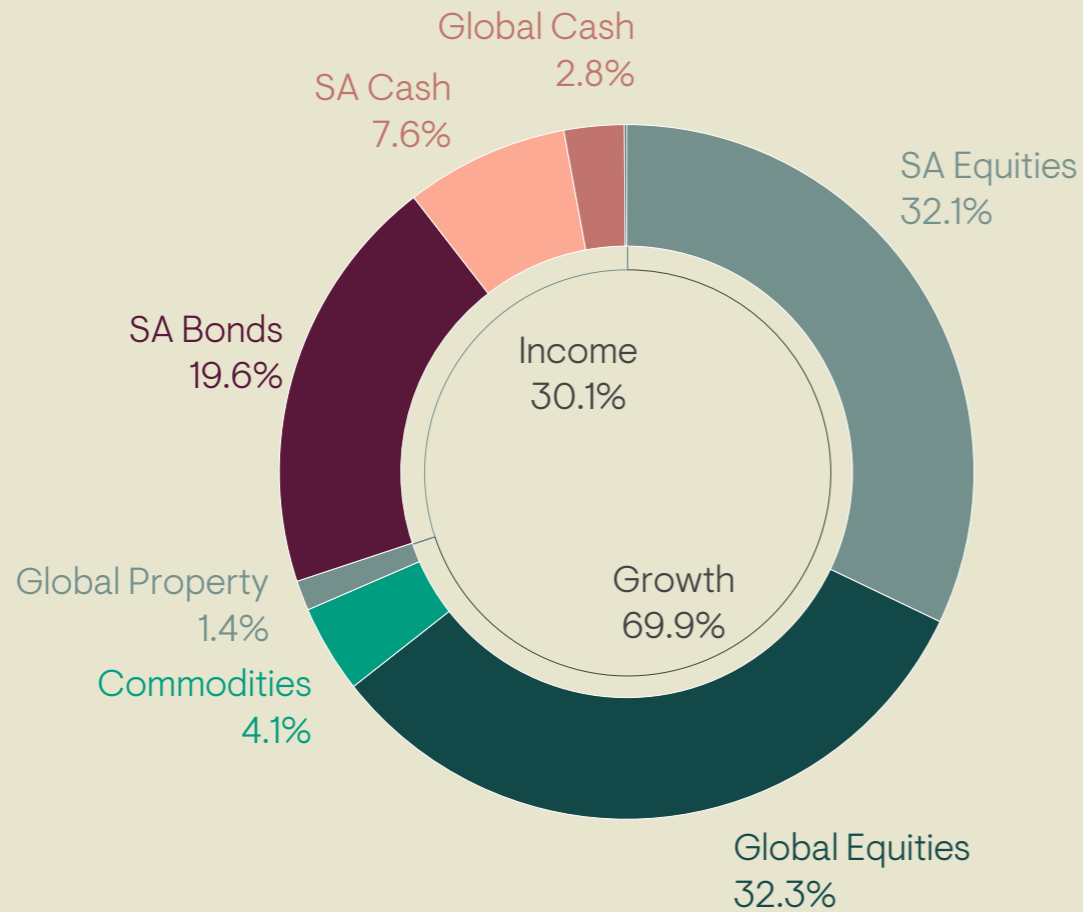
Forecasts are based on disclosed reasonable assumptions and are not a reliable indicator of future results
Source: Ninety One; For illustrative purposes only and is not the return of the fund.



Real return opportunities are available

But a balance of exposures remains prudent

Ninety One Opportunity Fund



High Quality Global Equities

- An opportunity to buy the best companies in the world at better valuations

South African Bonds

- Real yield opportunities that counterbalance our global equity positions

South African Equities

- Select opportunities within a narrow universe

Cash

- Likely to reduce through the year



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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.

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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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Thank you

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