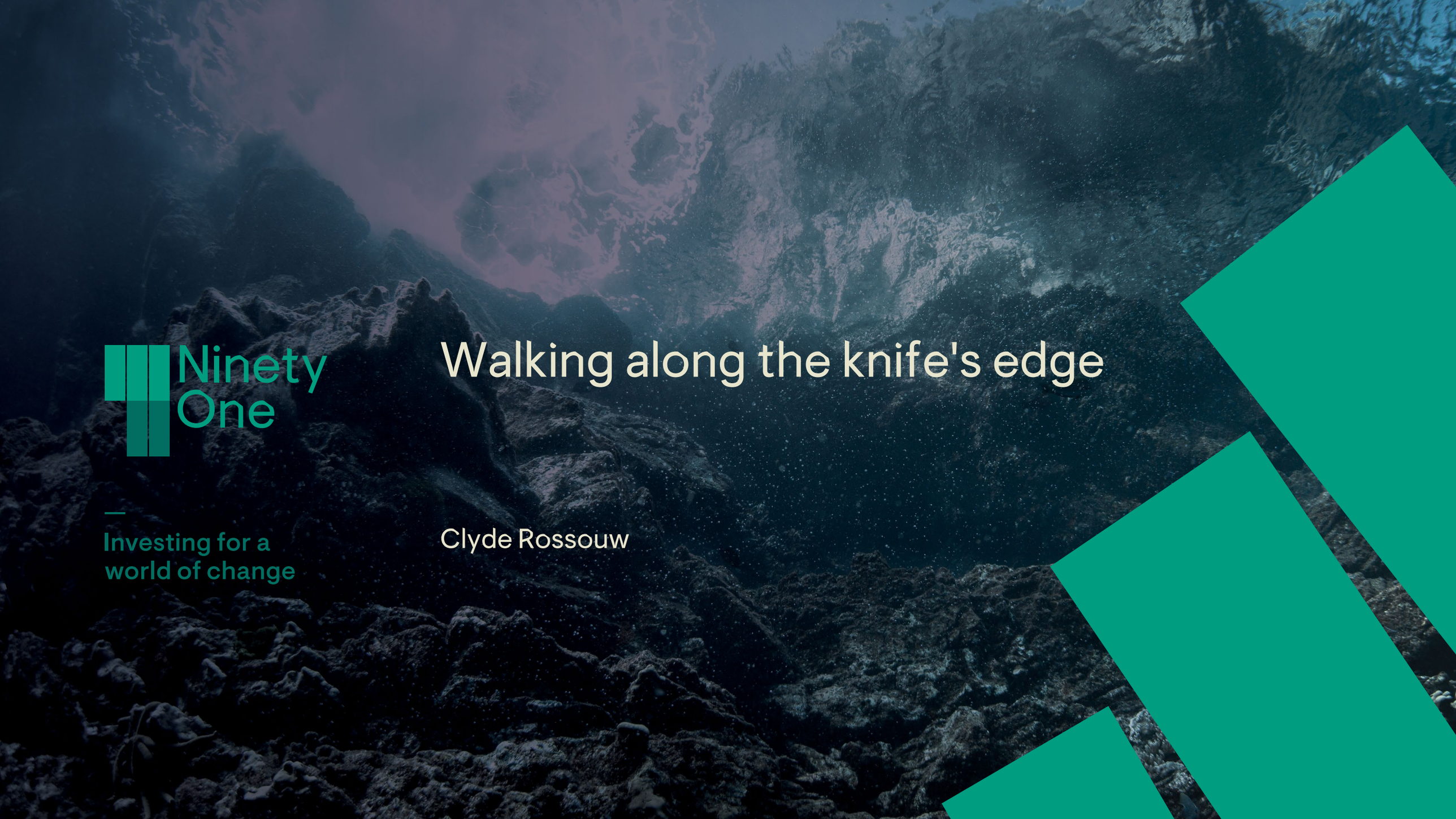


Ninety One

Investing for a world of change

Walking along the knife's edge

Clyde Rossouw

Walking along the Knife’s Edge

The Pacific Crest Trail – 4265km, from Canada to Mexico



Big themes, bigger questions

Finding opportunities in a volatile world



1. Inflation, rates and global tensions

- Policy: Tariff inflation vs debt deflation
- Earnings growth
- US-China dynamics
- Regional economic re-sets



2. The US edge – still exceptional?

- US vs the rest of the world
- Dollar dominance
- Market concentration
- Valuation extremes



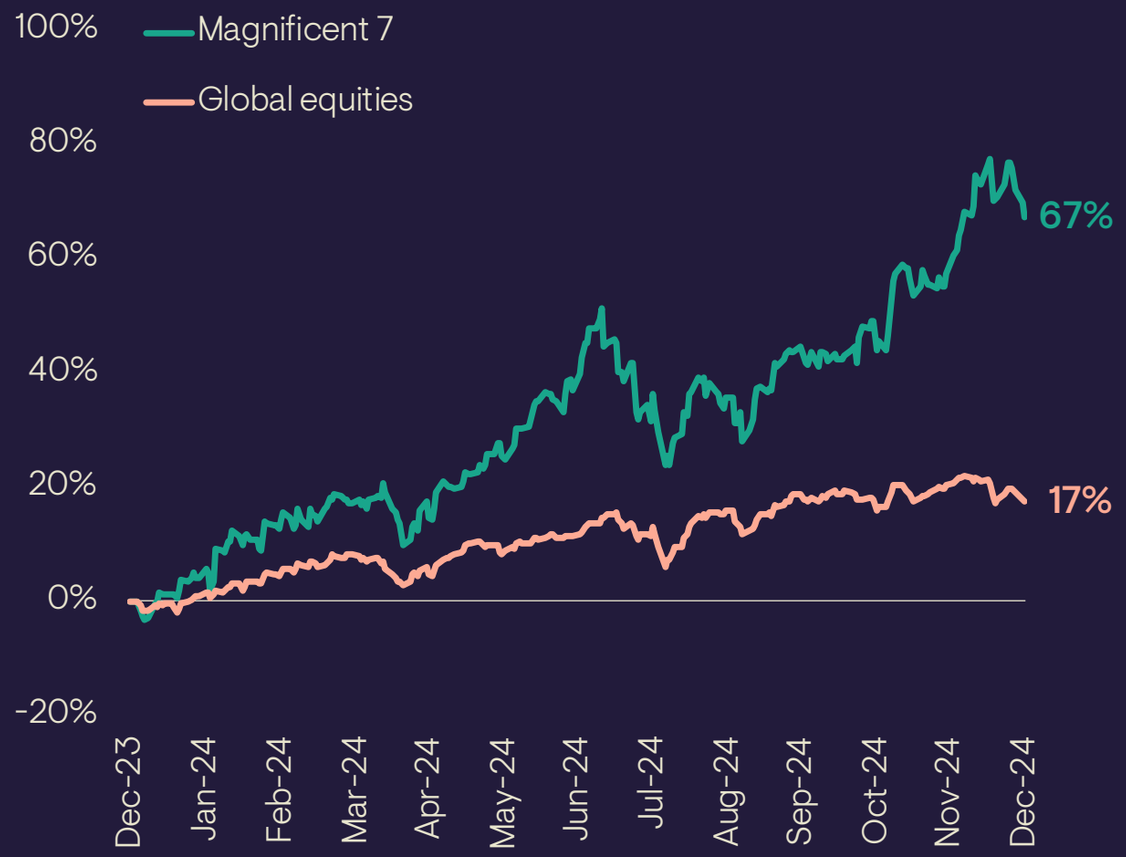
3. South African opportunities in a low growth economy

- Valuations vs fundamentals
- Equity considerations
- Bonds and cash
- The rand's role

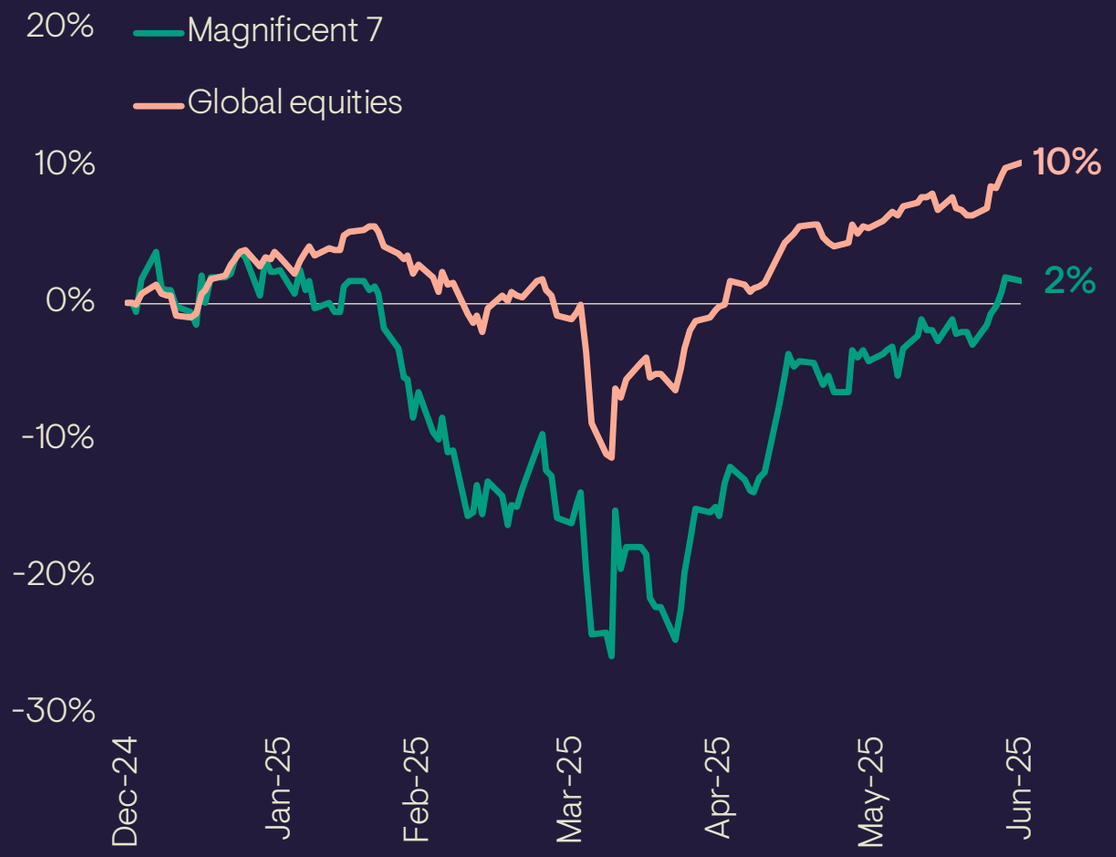
What have global equity markets been telling us?

Significant volatility and swings in market leadership

2024 total returns (USD)



2025 YTD total returns (USD)

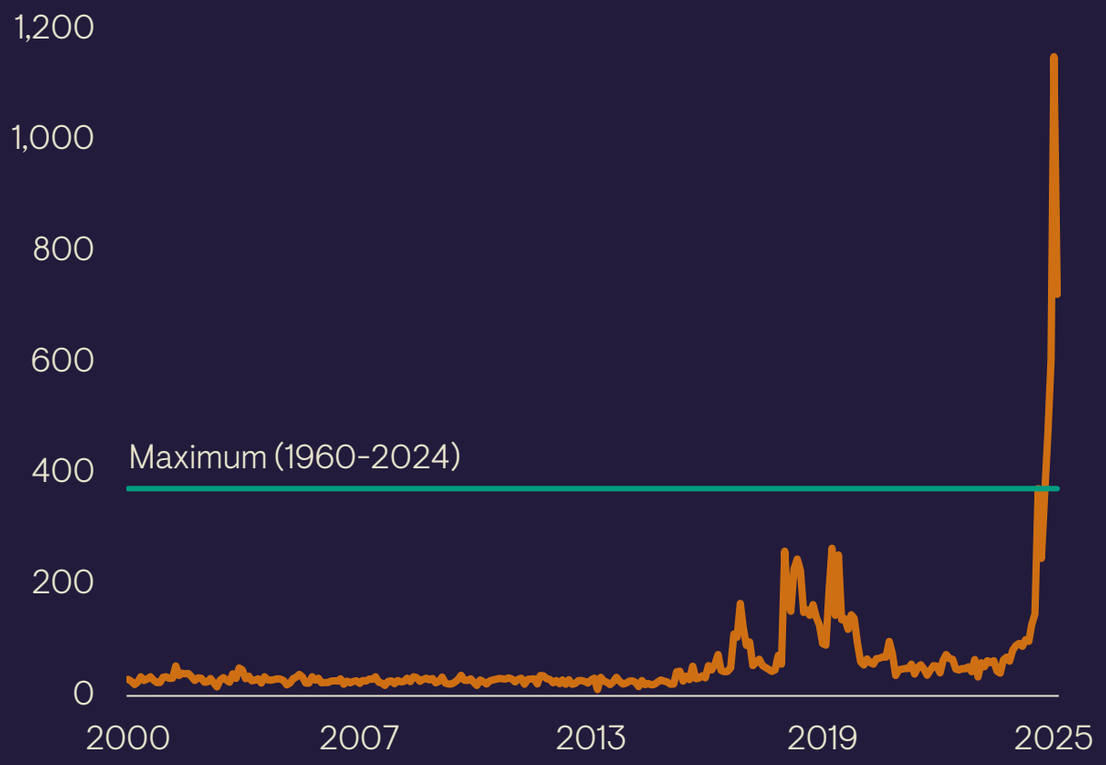


Past performance does not predict future returns; losses may be made.
Source: Ninety One, Bloomberg, 30 June 2025.
Returns are in USD, shown net of all trading expenses. Income is reinvested.
For further information on indices, please see the Important information section.

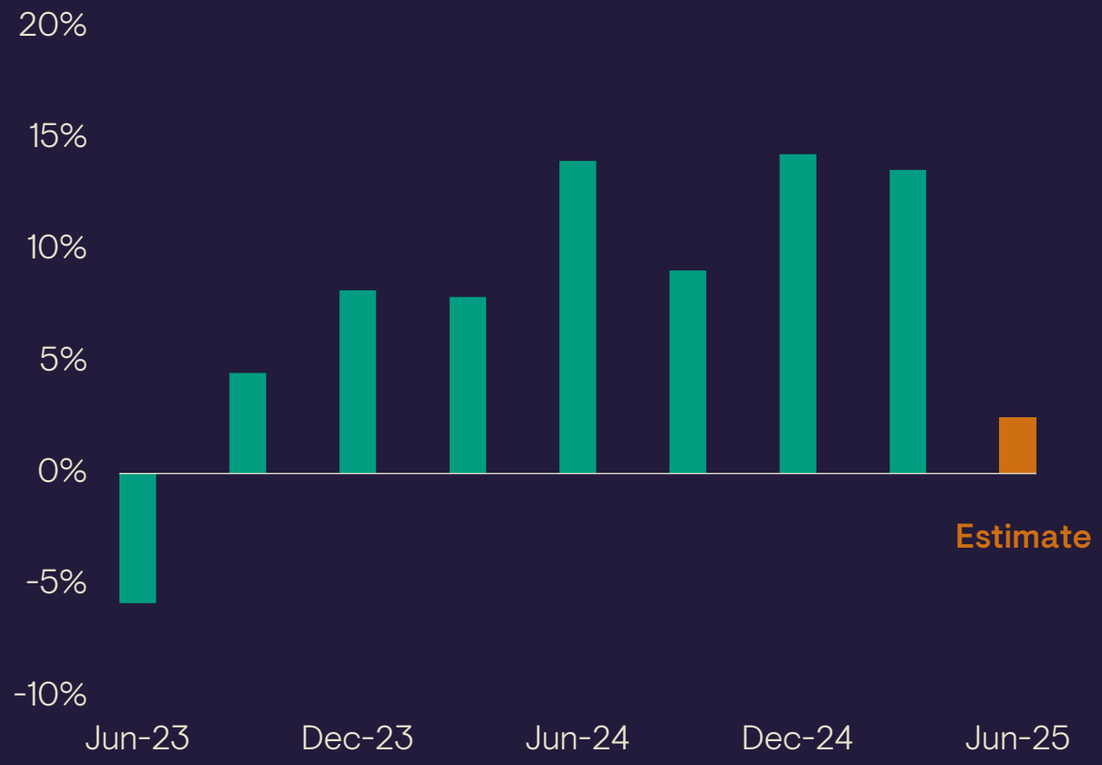
Despite the recent rally, there is still significant uncertainty

Which is starting to show in company earnings

Global Trade Policy Uncertainty Index



US Quarterly Earnings



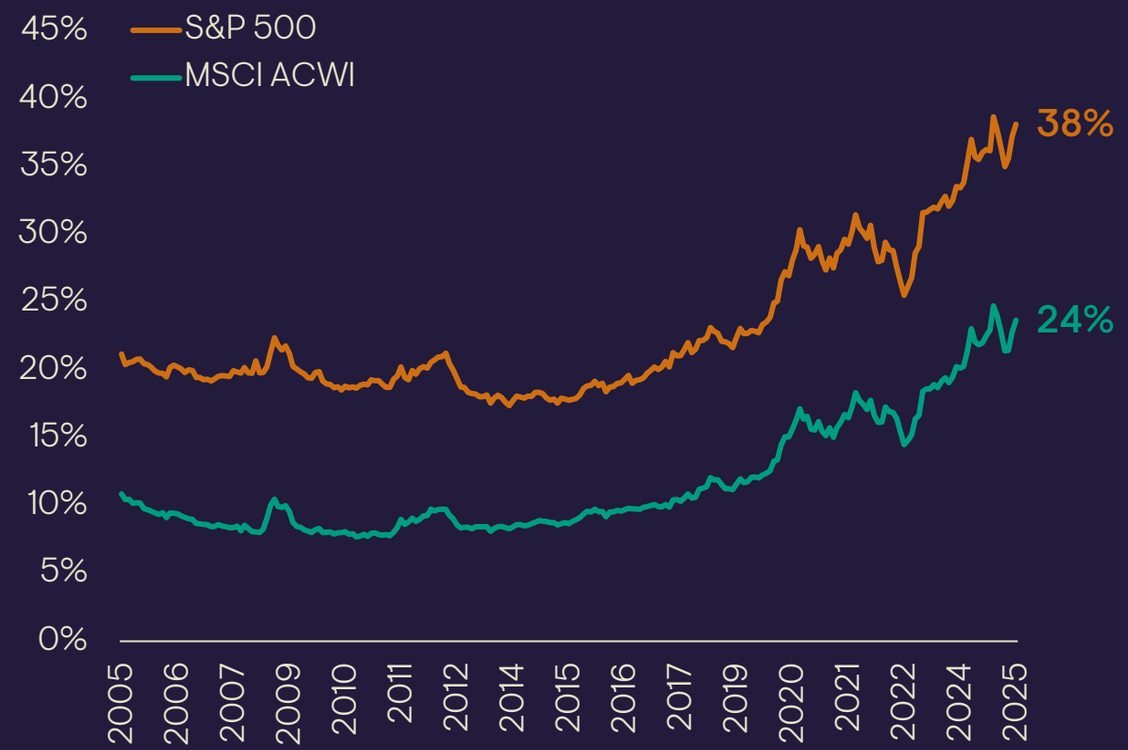
Source: World Bank Global Economic Prospects; Bloomberg, Ninety One; as at 30 June 2025.

Index equities racing ahead of earnings

Both market concentration and index valuations are cause for concern

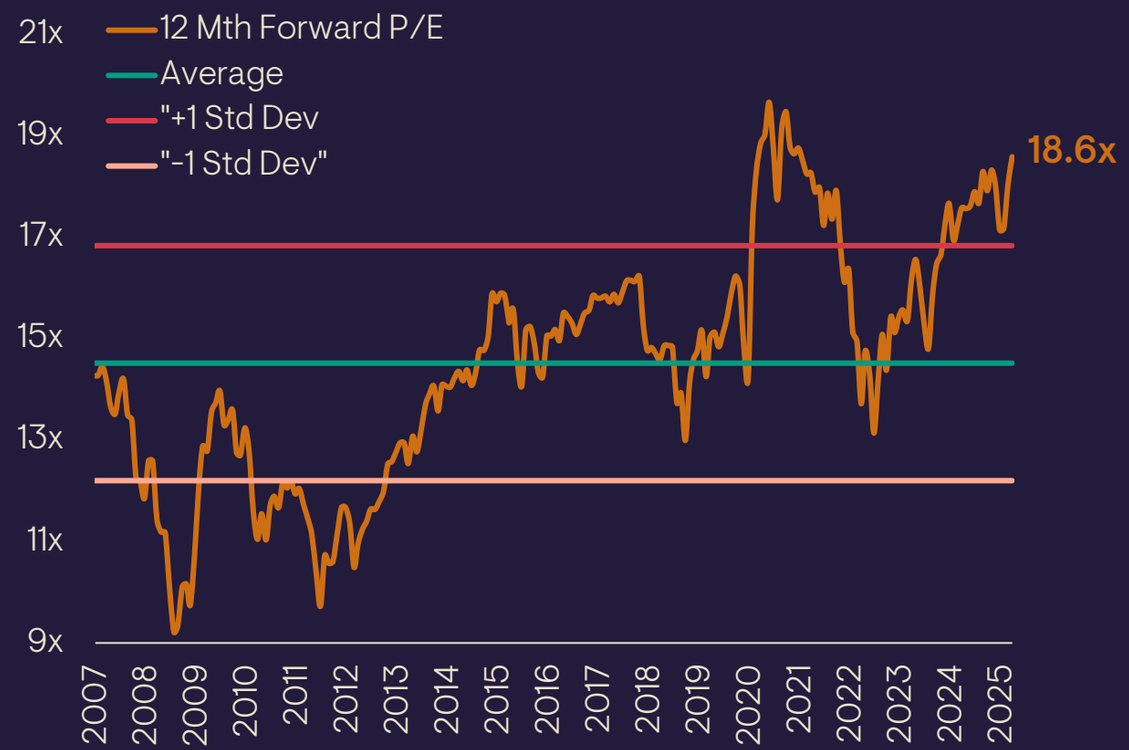
Market concentration

Top 10 weighting of S&P 500 & MSCI ACWI



Market valuation

MSCI ACWI Forward P/E

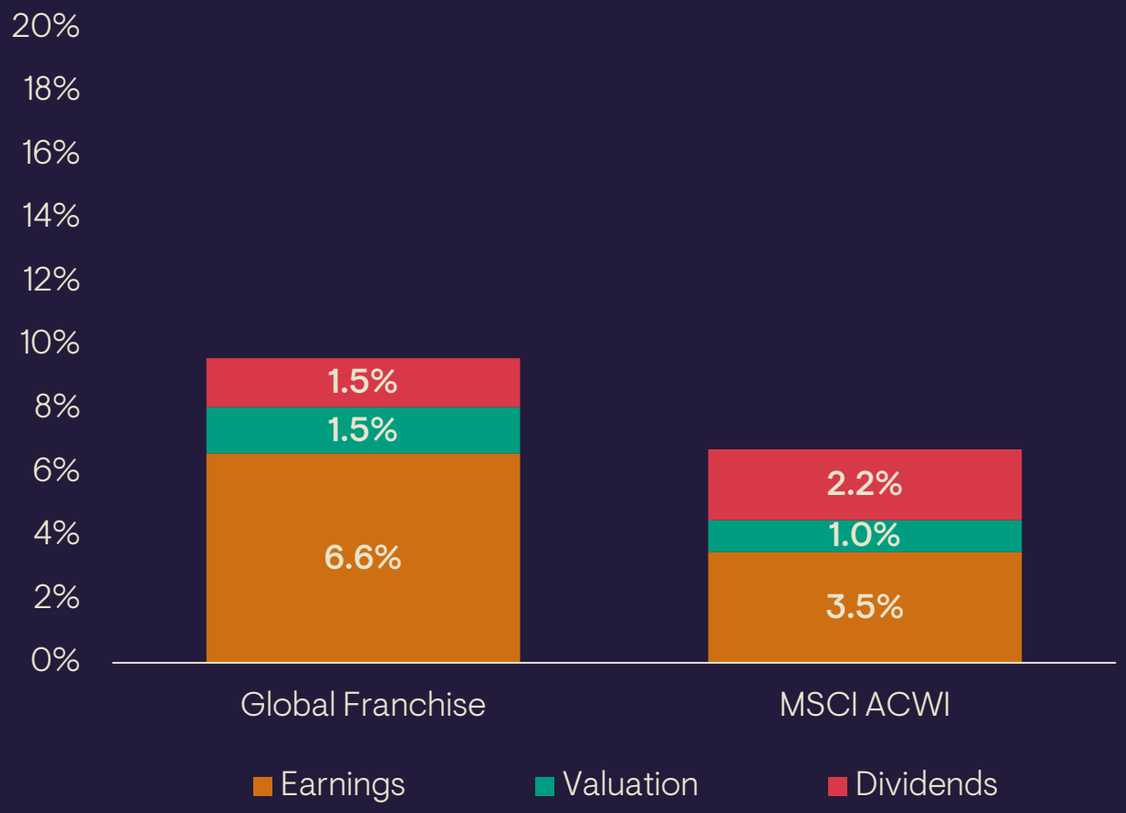


Source: Ninety One, Bloomberg, as at 30 June 2025.
For further information on indices, please see the Important information section

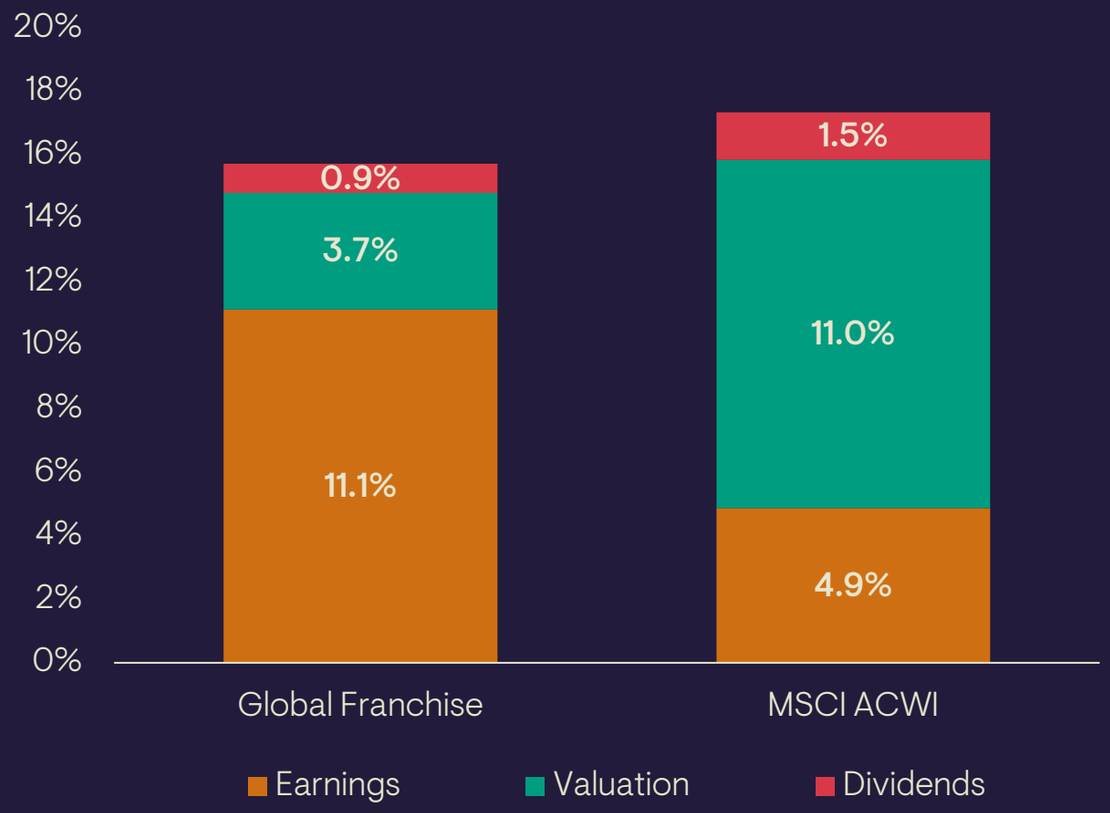
Seek out real growth not story value

Earnings growth drives long-term returns, not re-ratings

Since Inception



Last 3 years

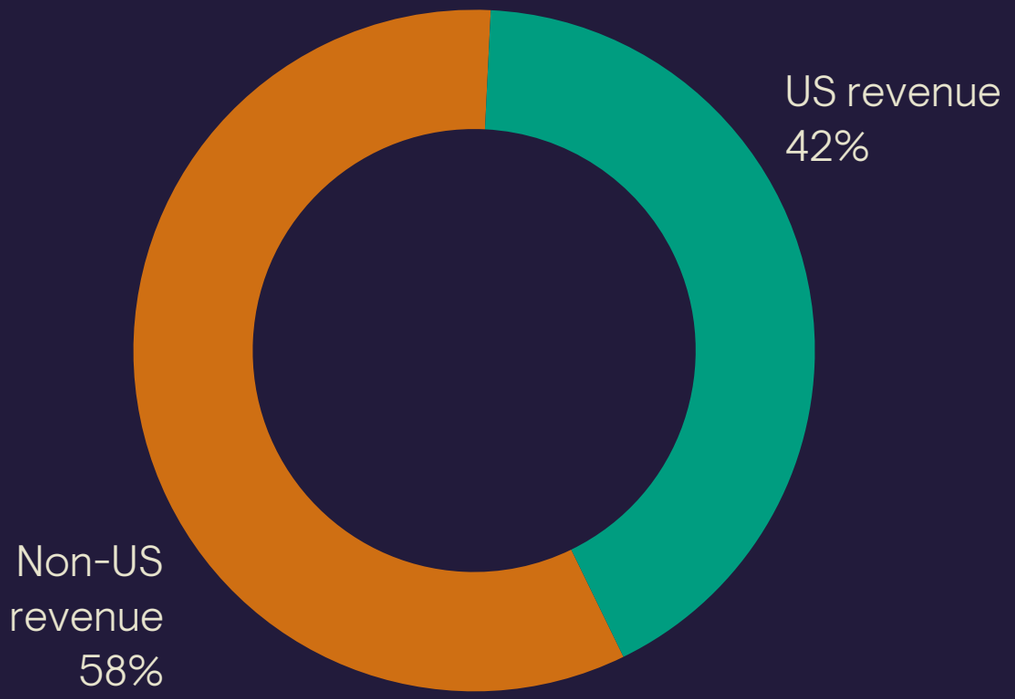


Past performance does not predict future returns; losses may be made.
Source: Ninety One, FactSet, Bloomberg, 30 June 2025, inception based to April 2007.
Based on a related portfolio with substantially similar objectives as those of the services being offered.
Weighting based on GSF vehicle. Earnings based on Blended 12mth forward EPS. TSR is derived from portfolio constituents through time and is based on the weighted average aggregation of EPS growth and dividend yield. Headline Gross composite performance is then used to derive the residual rating change.

Investors are calling for the end of US market dominance

Consider portfolios with differentiated US exposure

Global Franchise – Portfolio revenue exposure



Global Franchise – Top 10 US holdings

	Weight	In MSCI Top 10	Non-US Revenue	Recurring Revenue
Visa	9.2%	✗	59%	~
Microsoft	8.0%	✓	49%	✓
PMI	5.9%	✗	91%	✓
Booking	5.6%	✗	90%	~
Intuit	5.0%	✗	8%	✓
Autodesk	4.3%	✗	64%	✓
Alphabet	3.9%	✓	51%	✗
Verisign	3.9%	✗	34%	✓
EA	3.2%	✗	59%	✗
ADP	2.9%	✗	12%	✓
Average			**52%**	

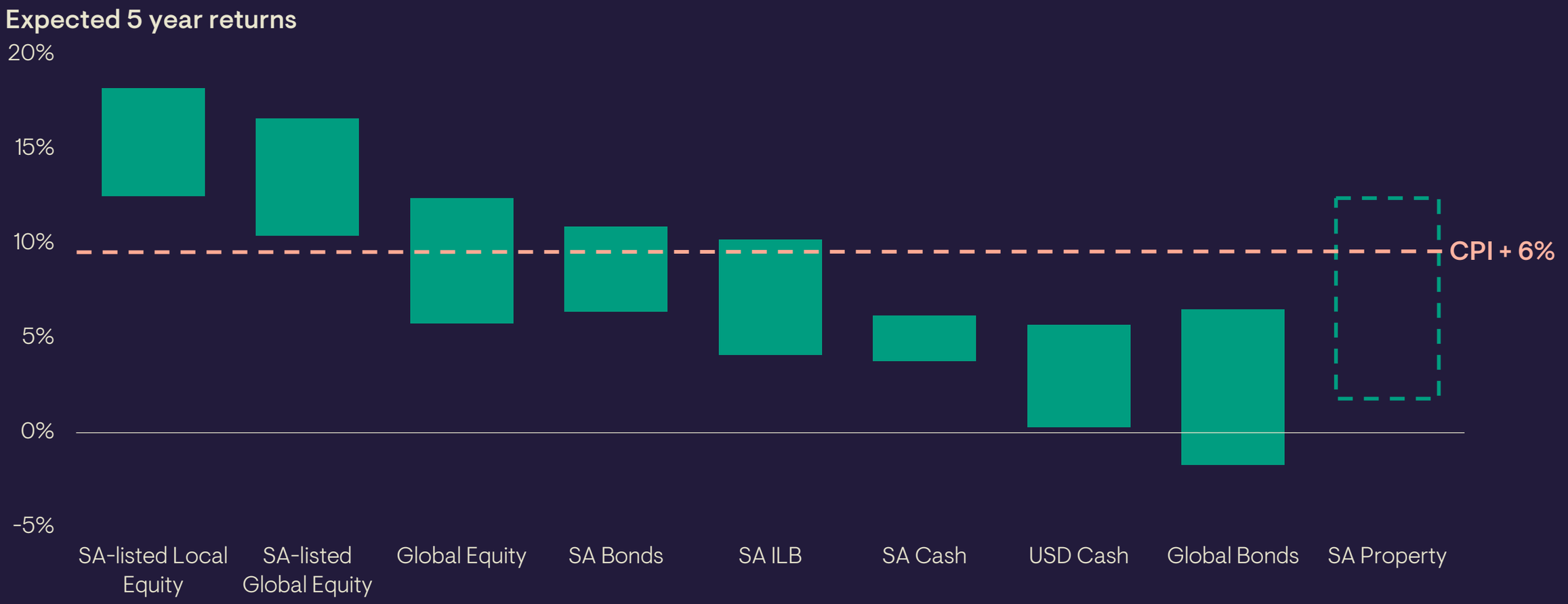
~ Royalty/commission

Source: Ninety One, 30 June 2025

Estimated revenue exposures of the companies held, re-weighted excluding cash and equivalents. The portfolio may change significantly over a short period of time. .

What are the broader opportunities for South African investors?

Attractive return opportunities for the assets we own

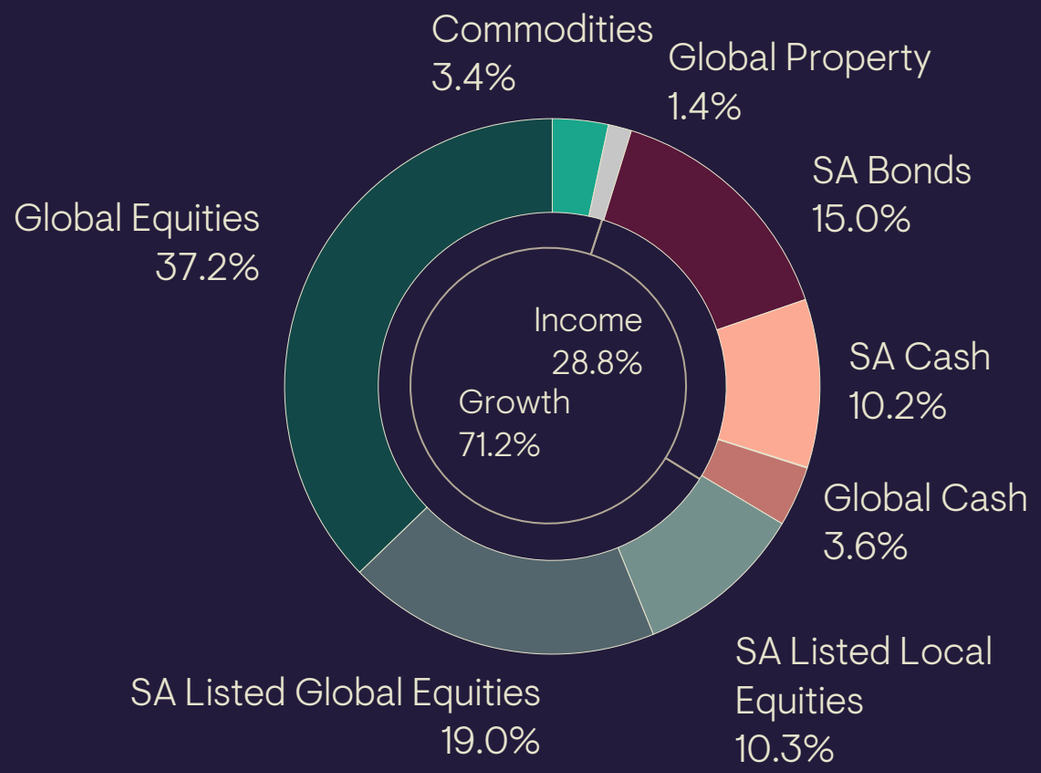


Forecasts are based on disclosed reasonable assumptions and are not a reliable indicator of future results
Source: Ninety One, 7 July 2025; For illustrative purposes only and is not the return of the fund.

How are we positioned within the Opportunity Fund?

Balancing select opportunities with uncertainty

Asset allocation as at 30 June 2025



1. High Quality Global Equities

2. Select South African Equities

3. Domestic bonds and cash

Total equity allocation capped at 75%

This is not a buy or sell recommendation of any particular security. The portfolio may change significantly over a short space of time.
Source: Ninety One, 30 June 2025. Opportunity currency exposure ZAR: 62.4% Non-ZAR: 37.6%

Summary views

The **proven resilience of quality earnings** and a **balance of exposures is critical**

- **Global equities** provide the best opportunity for growth
  - We continue to find standout US-listed businesses that offer real differentiation and greater outcome certainty
  - Despite potential dollar headwinds, our portfolio offers resilient earnings through diversified, durable revenue streams
- **Select SA equity opportunities**, many of which are global in disguise
  - Domestic names require clear, company-specific drivers
- **SA bonds and cash** offer attractive real yields and optionality

Thank you



Important information

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The value of this investment, and any income generated from it, can go down as well as up and will be affected by changes in interest rates, exchange rates, general market conditions and other political, social and economic developments, as well as by specific matters relating to the assets in which it invests. The Fund's investment objective will not necessarily be achieved and there is no guarantee that these investments will make profits; losses may be made. This Fund may not be appropriate for investors who plan to withdraw their money within the short to medium term. Performance shown is that of the Fund and individual investor's performance may differ as a result of initial fees, actual investment date, date of any subsequent reinvestment and any dividend withholding tax. All the information contained in this communication is believed to be reliable but may be inaccurate or incomplete. Any opinions stated are honestly held but are not guaranteed and should not be relied upon. This is not a buy, sell or hold recommendation for any particular security. It is not an invitation to make an investment nor does it constitute an offer for sale. Before making an investment, please read the Prospectus and Key Investor Information Document, which sets out the fund specific risks and is available from Ninety One SA (Pty) Ltd ("Ninety One SA") . The portfolio may change significantly over a short period of time. The Fund is traded at the ruling price and can engage in borrowing and scrip lending and may be closed in order to be managed in accordance with the mandate. The fund may borrow up to 10% of its market value to bridge insufficient liquidity. The Fund is a sub-fund of the Ninety One Global Strategy Fund, which is a UCITS organised as a Société d'Investissement à Capital Variable under the law of Luxembourg. For further information on the Fund including application forms and a schedule of fees and commissions, please contact Ninety One SA. Fund prices and English language copies of the Prospectus, Report & Accounts and Articles of Incorporation and local language copies of the Key Investor Information Documents may be obtained from our website and free of charge from the following country specific contacts: Luxembourg – Ninety One Global Strategy Fund, 49 avenue J.F. Kennedy, L-1855 Luxembourg. In South Africa, Ninety One SA is an authorised financial services provider. The sub-funds offered for public sale in South Africa are approved under the South African Collective Investment Schemes Control Act.

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.

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