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Investing for a
world of change

Hidden GEMs Emerging Markets Equity

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Why Emerging Markets now?





A peaking of the Dollar removes a significant overhang for EM

Cyclically, EM returns strengthen considerably after dollar peaks

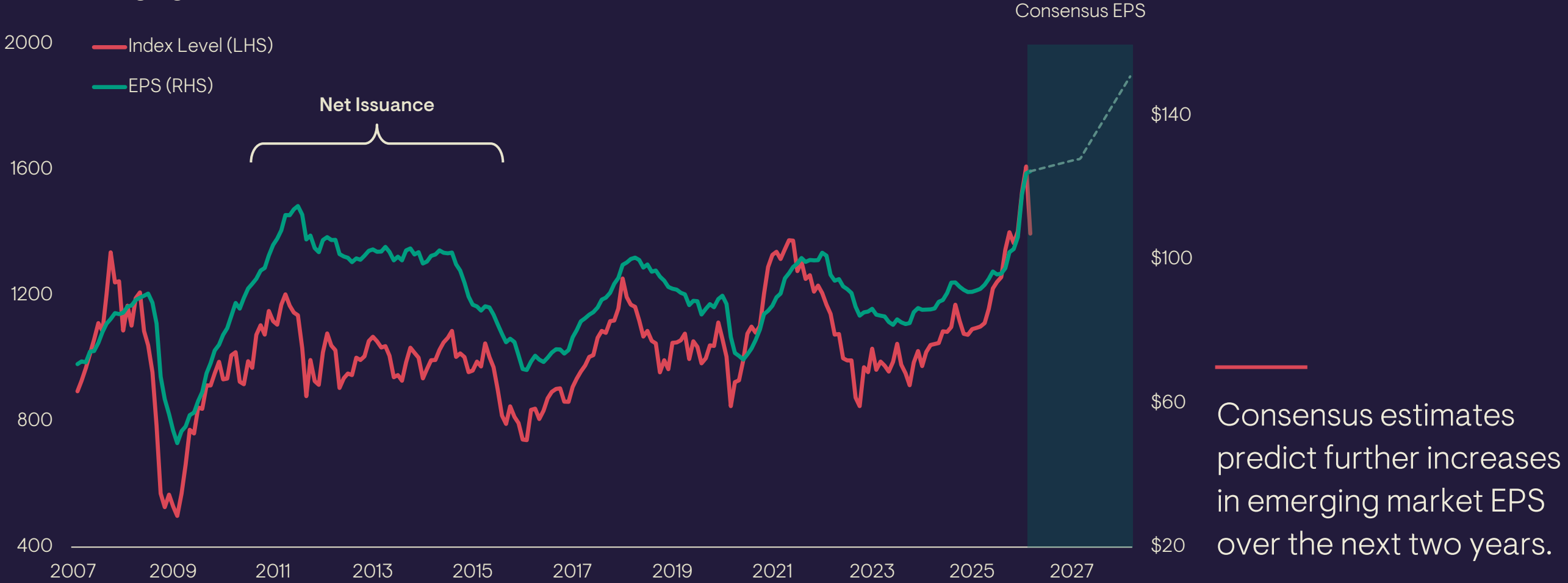
Inverse relationship between USD performance and EM equity performance





EPS trends have historically provided a reliable link to equity returns

MSCI Emerging Market Index level and EPS

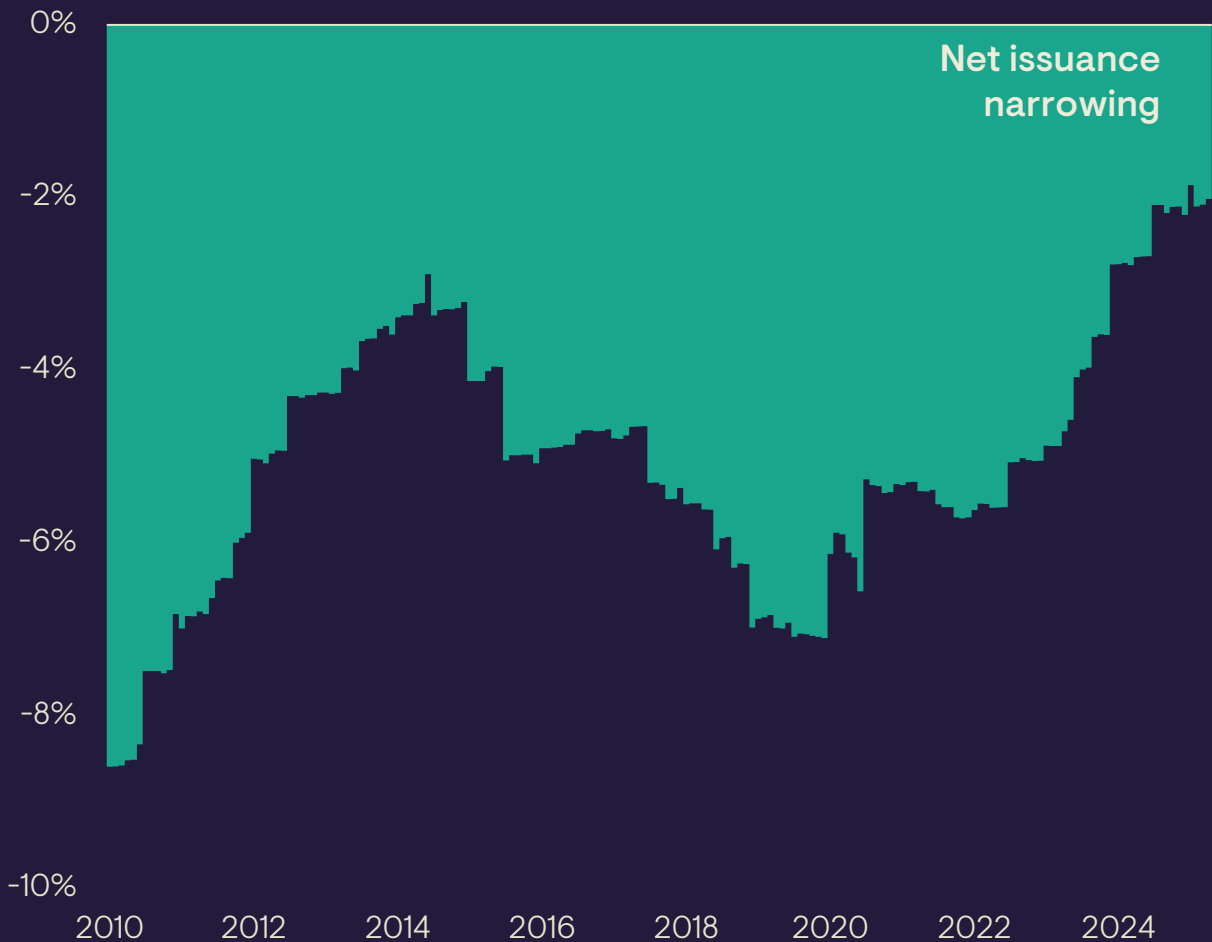




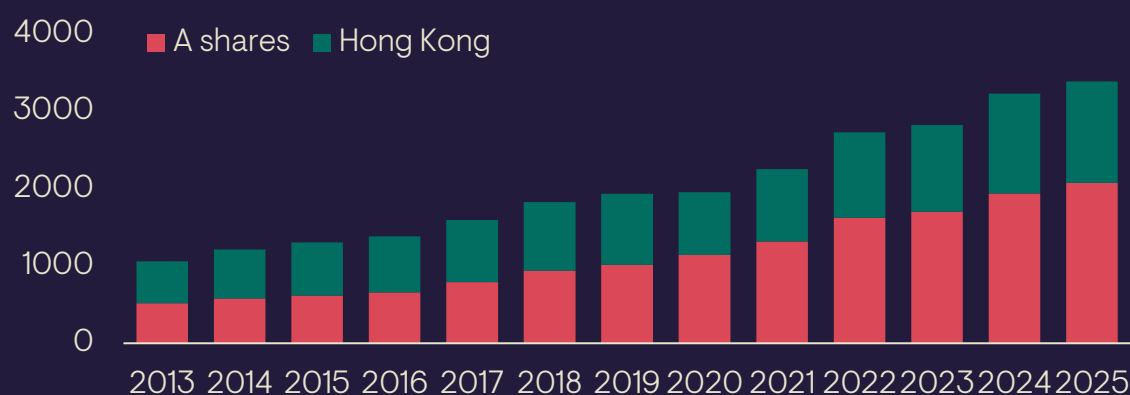
Net issuance has reduced substantially in China

As we see record levels of share buyback and dividends

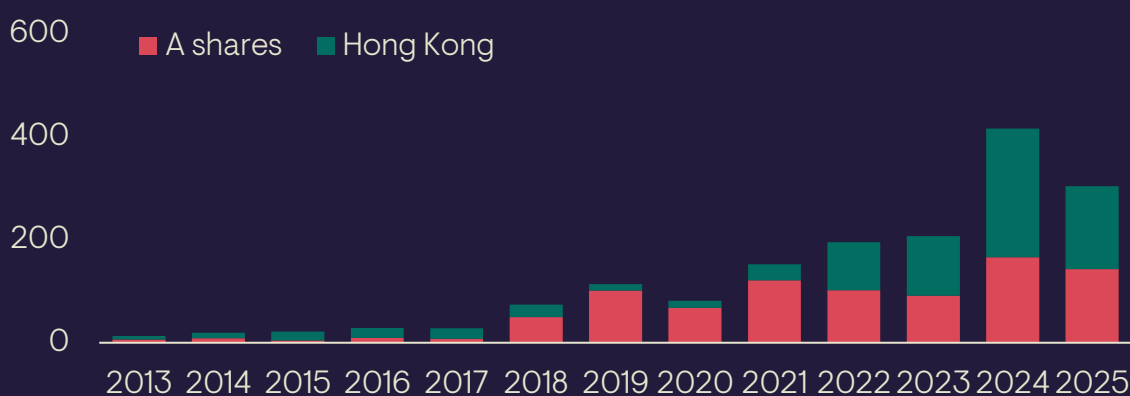
***Net issuance contribution to MSCI China 5Y returns**



****Chinese companies annual buybacks (Rmb bn)**



****Chinese companies dividend payout (Rmb bn)**



*Source: Bloomberg, Ninety One. March 2026

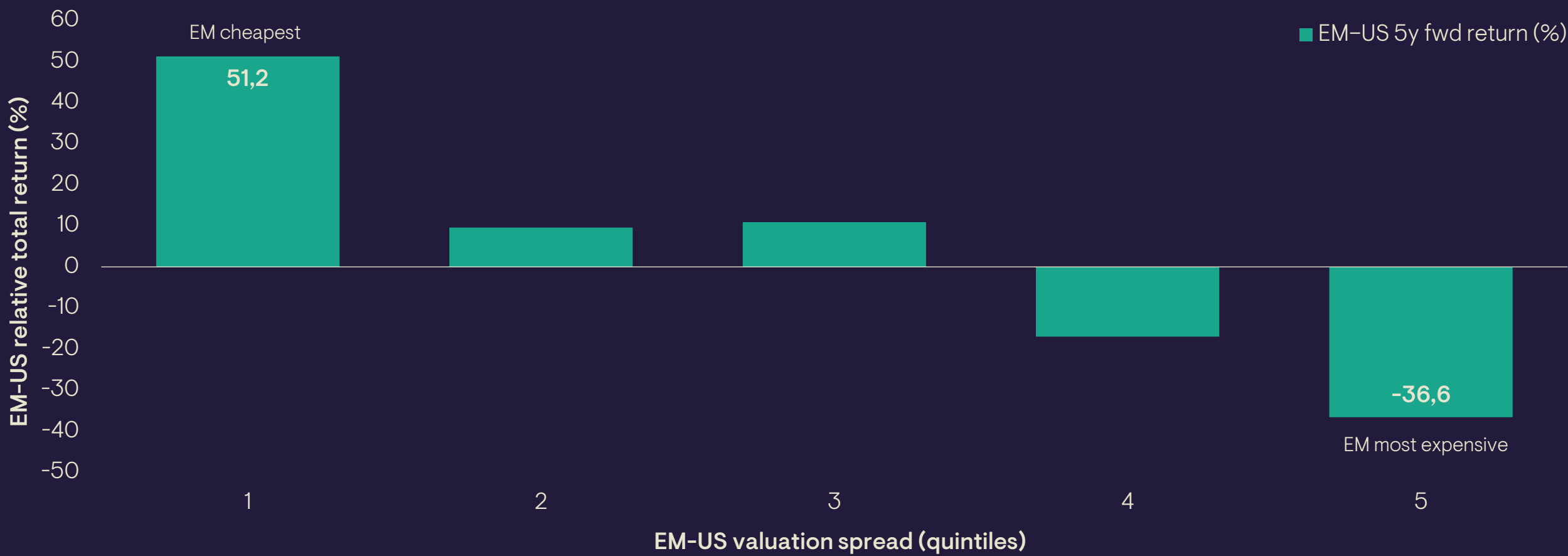
**Source: Wind Ninety One, December 2025. For illustrative purpose only. This is not a buy, sell or hold recommendation for any particular security. There is no guarantee that the Fund is currently investing and/or will invest in the securities in the future.



Extreme valuation tail historically associated with asymmetric outcomes

Valuation spreads are currently in the top quintile of historical observations

EM-US relative returns by EM valuation quintile (P/E)



Magnificent 7 vs. Secret 7

Diverging performance year-to-date

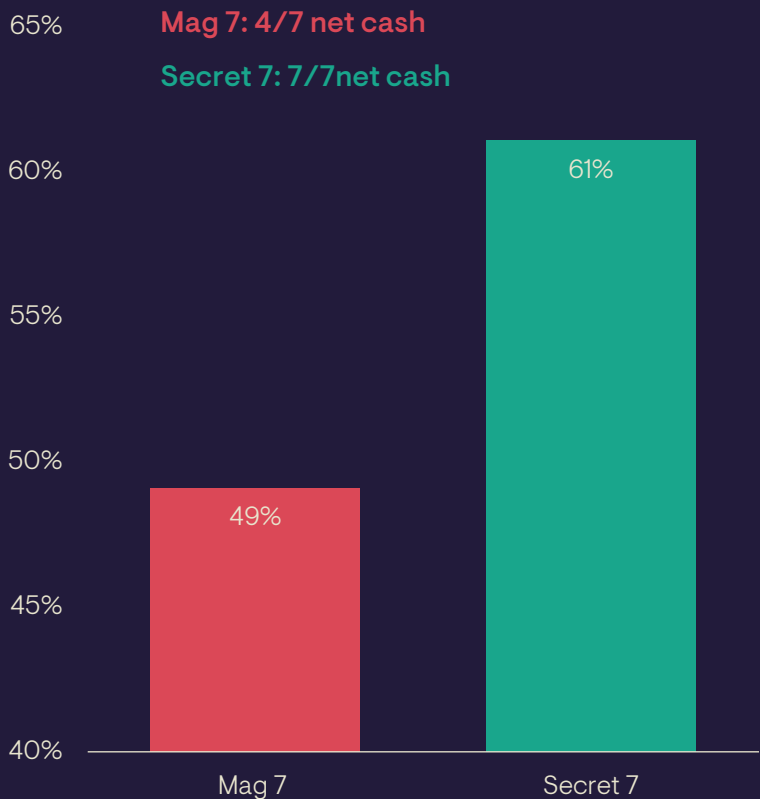




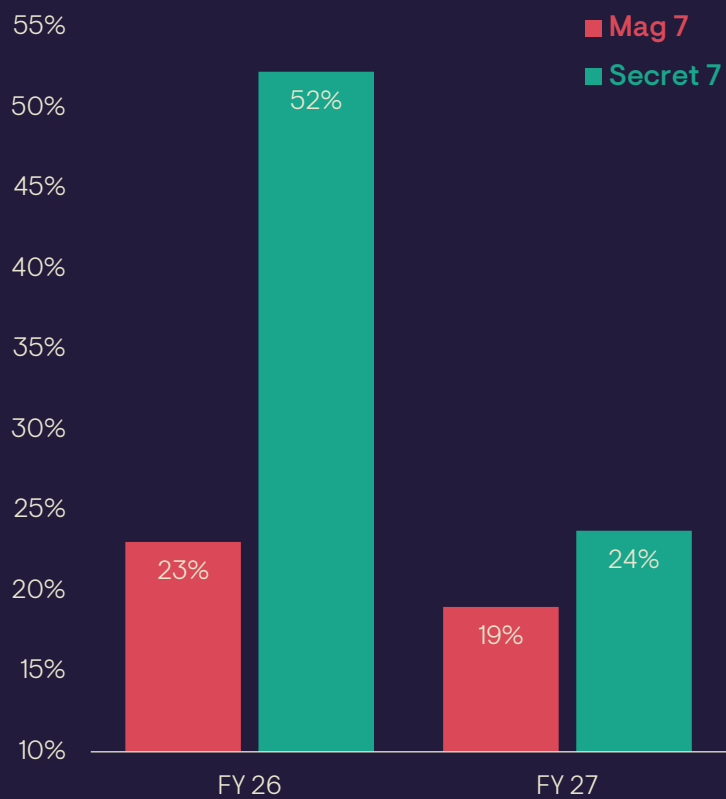
Our AI exposure is underpinned by fundamentals

‘Secret 7’ balance sheet strength enables reinvestment led earnings growth

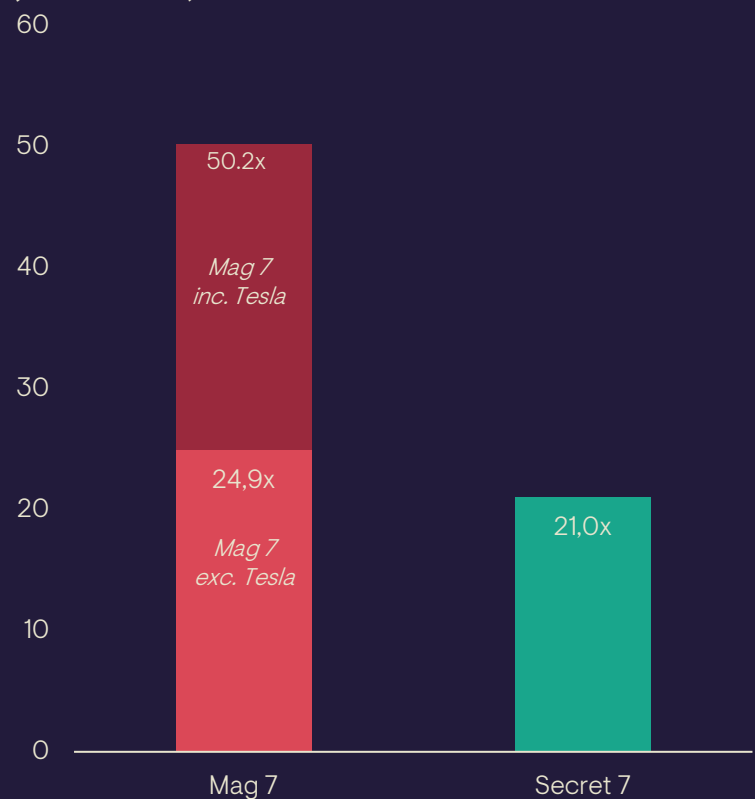
Reinvestment intensity*



Forecast EPS growth



Valuation disconnect
(Fwd P/E FY2)



The Secret 7 combine **net cash balance sheets** with **reinvestment intensity**, translating into **stronger EPS growth** at more **attractive P/E multiples**

¹Source: Bloomberg, January 2026. Secret 7 defined as : TSMC, Samsung Electronics, SK Hynix, Accton, Delta Electronics, ASE Tech, Xiaomi.

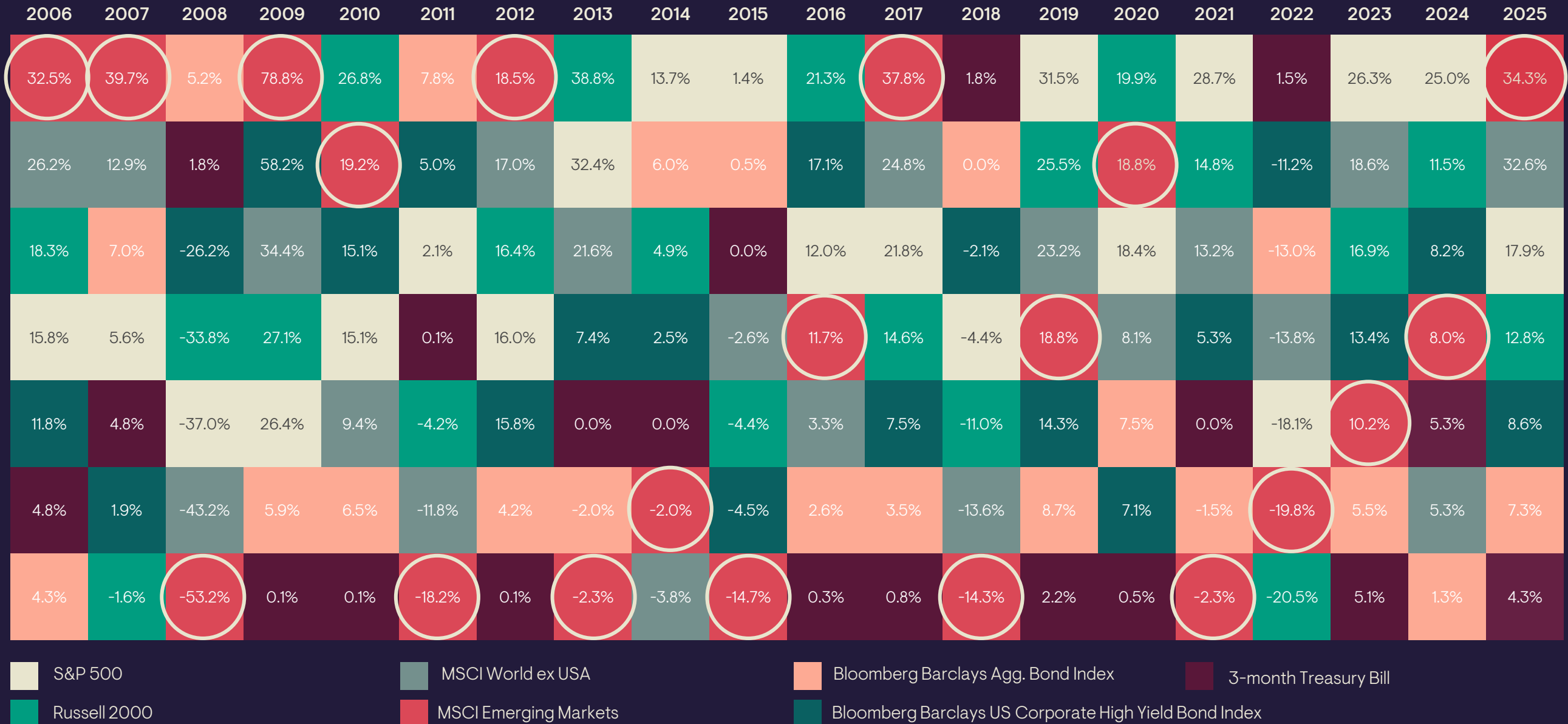
*Reinvestment intensity defined as CAPEX + M&A / Operating cash flow

How to allocate to emerging markets





Emerging market equities is an inherently cyclical asset class



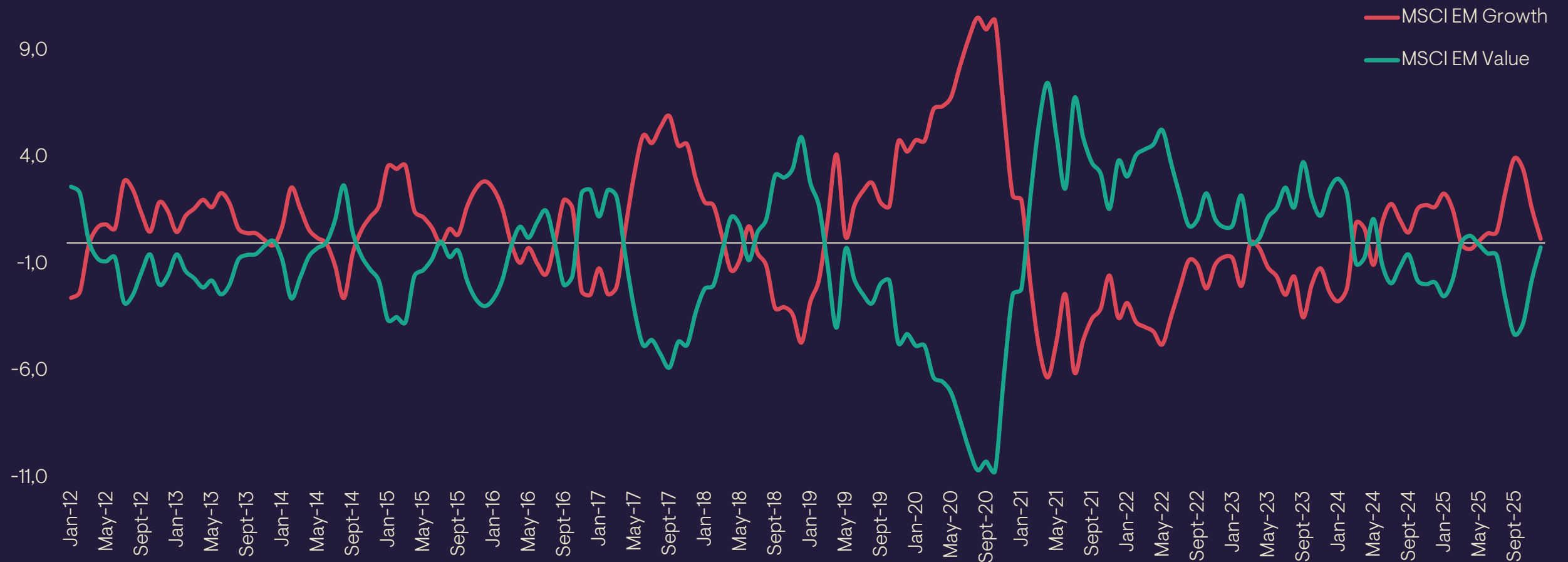
Source: Bloomberg, Ninety One. January 2026.

Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs or expenses and are shown on a net of dividend basis. Indices are unmanaged and one cannot invest directly in an index. Currency: USD.



EM markets are already volatile... swings in style can add even more risk to the mix

Rolling 6 Month Excess Return vs. MSCI EM



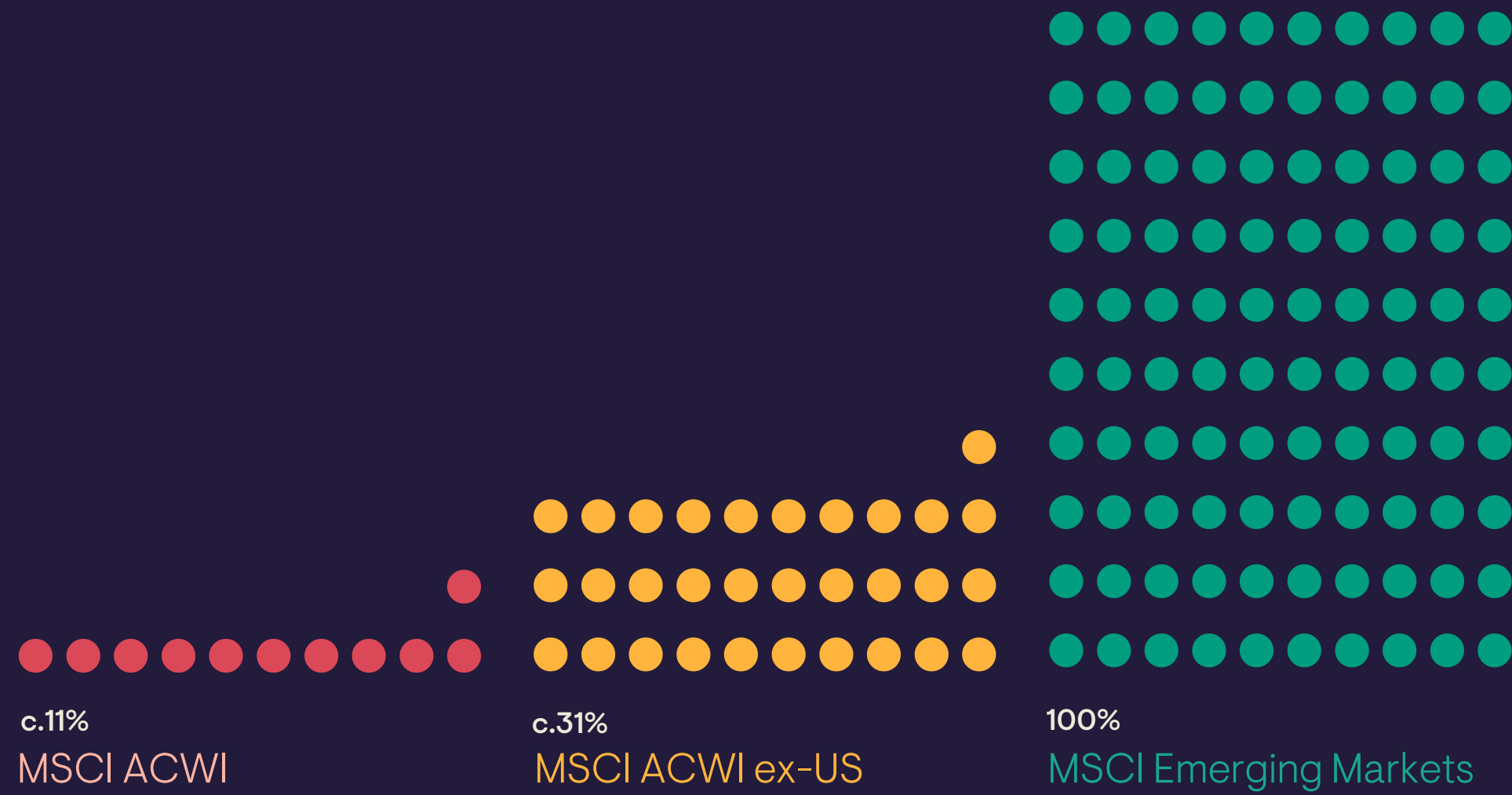
Past performance does not predict future returns; losses may be made.

Source: Morningstar Direct, December 2025. For further information on indices, please see the Important information section.



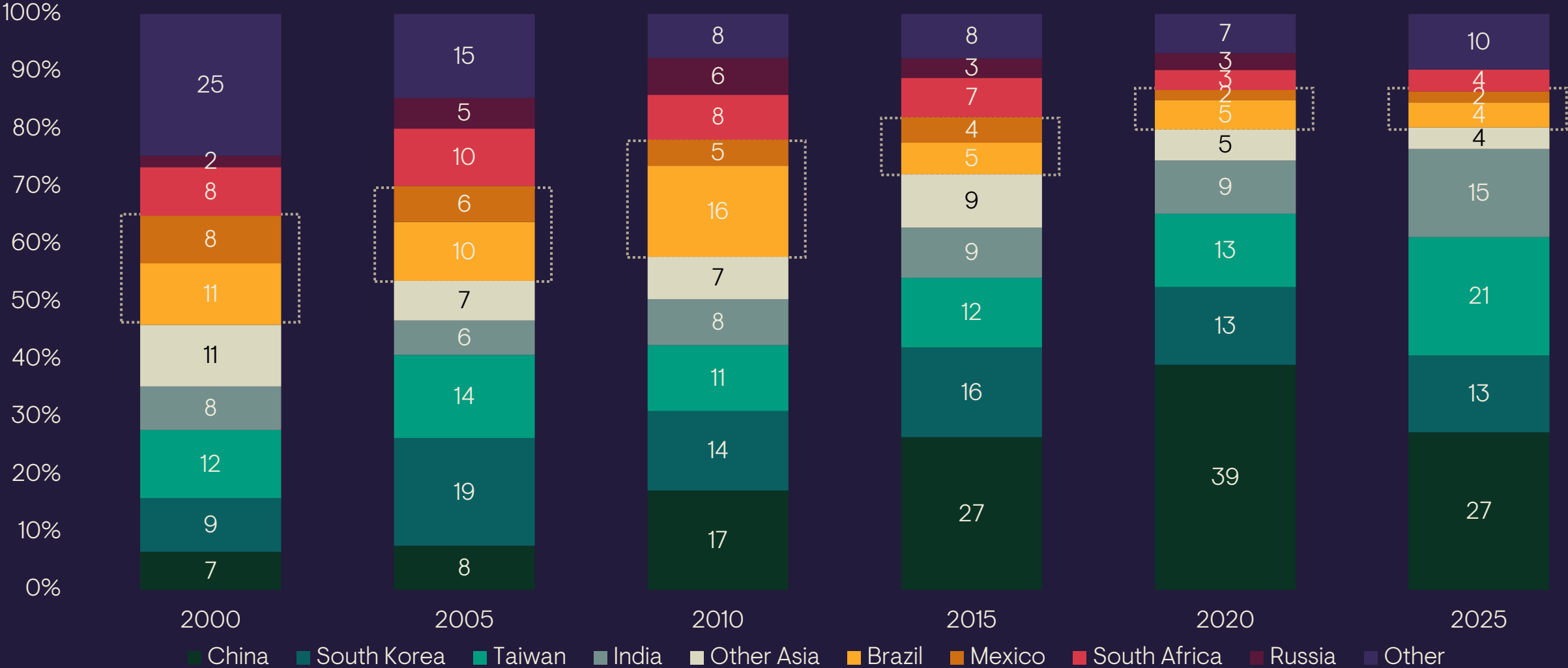
Emerging Markets are underrepresented in Global indices

A global emerging market allocation captures the full range of opportunities in the space





Picking countries or regions is difficult to get consistently right





EM equities offer meaningful alpha potential for active managers

Rolling 5-year excess return vs. MSCI EM

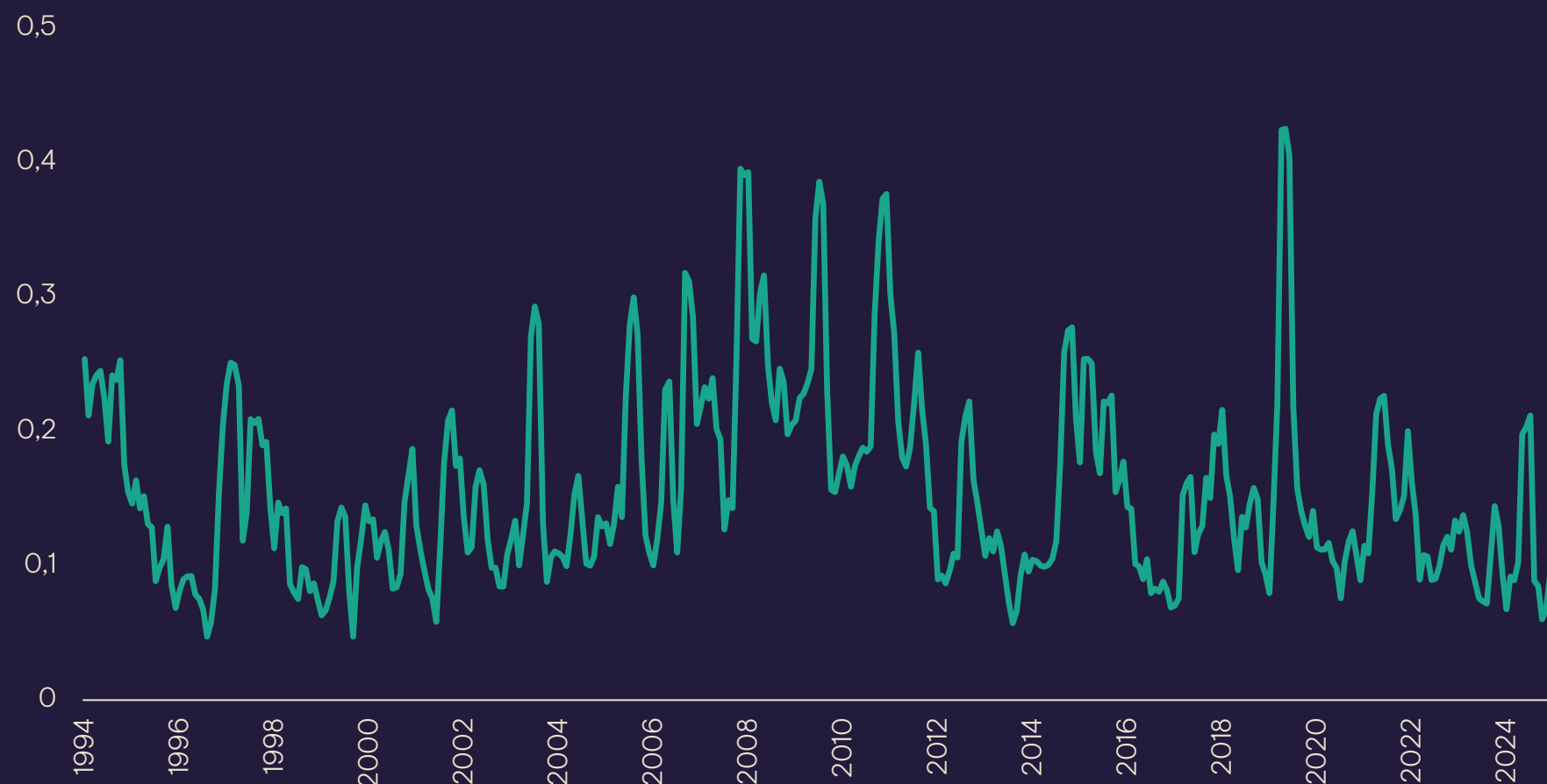


Alpha opportunities are ripe in emerging market equities



Idiosyncratic risk is rewarded in Emerging Markets as stock returns are increasingly driven by company fundamentals

Pairwise correlations - EM



When pairwise correlations fall, dispersion rises — giving active managers greater scope to add value through stock selection.



There is significant concentration in both DM and EM indices...

Buyers beware

MSCI ACWI Top 10 Names

	Index Weight
 NVIDIA	4.9%
Alphabet	4.1%
	4.0%
 Microsoft	2.9%
 amazon	2.6%
 BROADCOM	1.9%
 tsmc	1.7%
 Meta	1.4%
 TESLA	1.1%
J.P.Morgan	0.9%
Total	25.5%

MSCI EM Top 10 Names

	Index Weight
 tsmc	14.2%
 SAMSUNG ELECTRONICS	6.0%
 SK hynix	4.0%
Tencent	3.3%
 Alibaba	2.4%
 DELTA 台達 Delta Electronics Foundation	1.1%
 MEDIATEK	1.1%
 中国建设银行 China Construction Bank	0.9%
 HDFC BANK	0.8%
 Reliance Industries Limited	0.8%
Total	34.6%



Why active?

Opportunities and challenges in an emerging market context

Market inefficiencies

- Data availability and quality
- Corporate disclosure
- Level of retail participation
- Geopolitical noise

Governance

- Less evolved regulatory frameworks
- State intervention
- Corporate control and ownership

Sustainability

- Differing priorities and materiality
- Higher exposure to industries and transition
- Engagement and voting

Underscores the need for an active, fundamental approach to tackle regional realities and cultural nuances



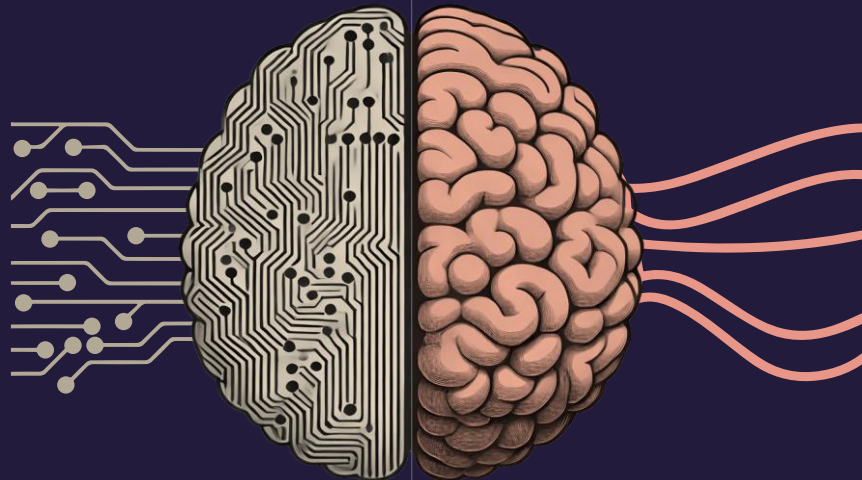
There are relative merits of both quantitative and fundamental approaches in EM

Quantitative

- Objective, disciplined and scalable
- Reduction in behavioural biases
- Pattern recognition across large data sets

Fundamental

- Deep understanding of opportunities and risks
- Forward-looking insights
- Contextual judgment

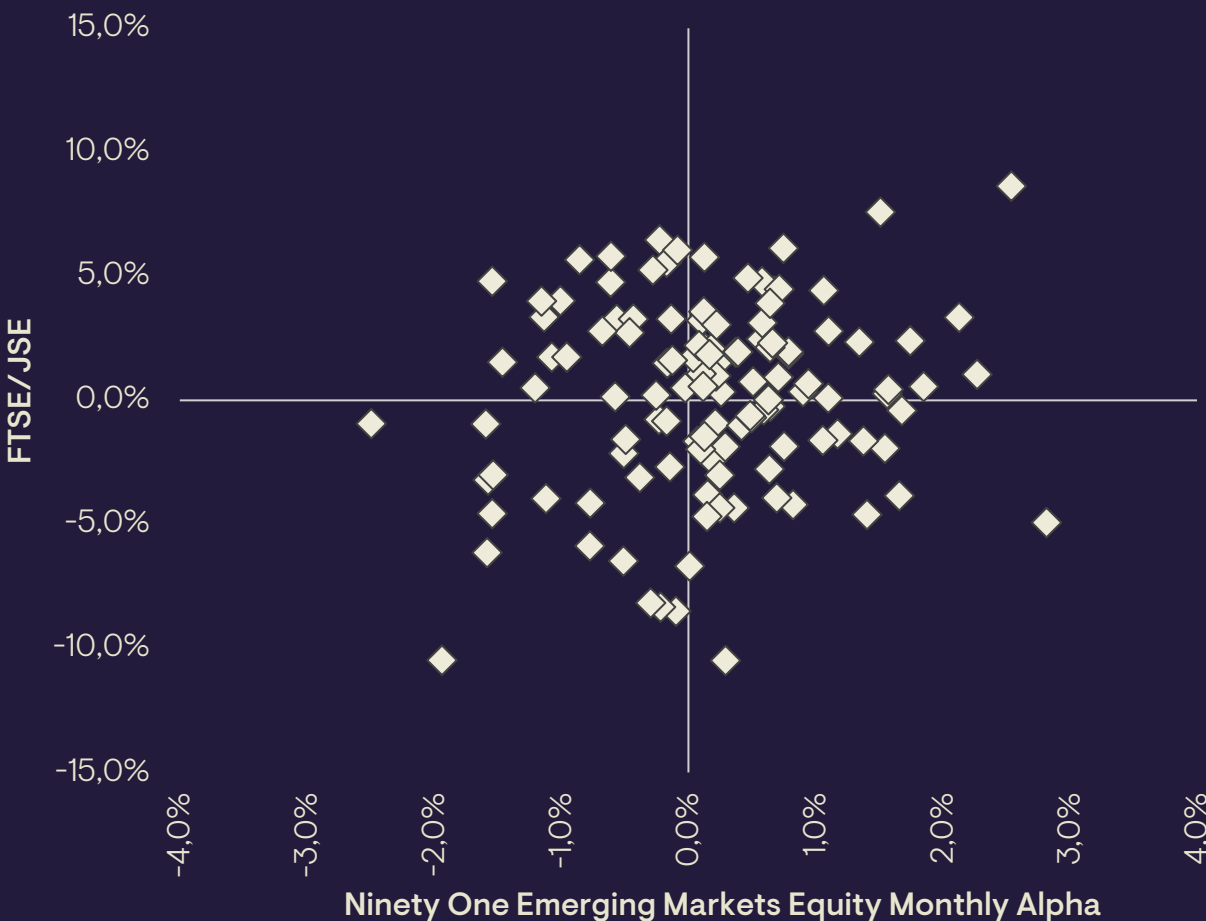




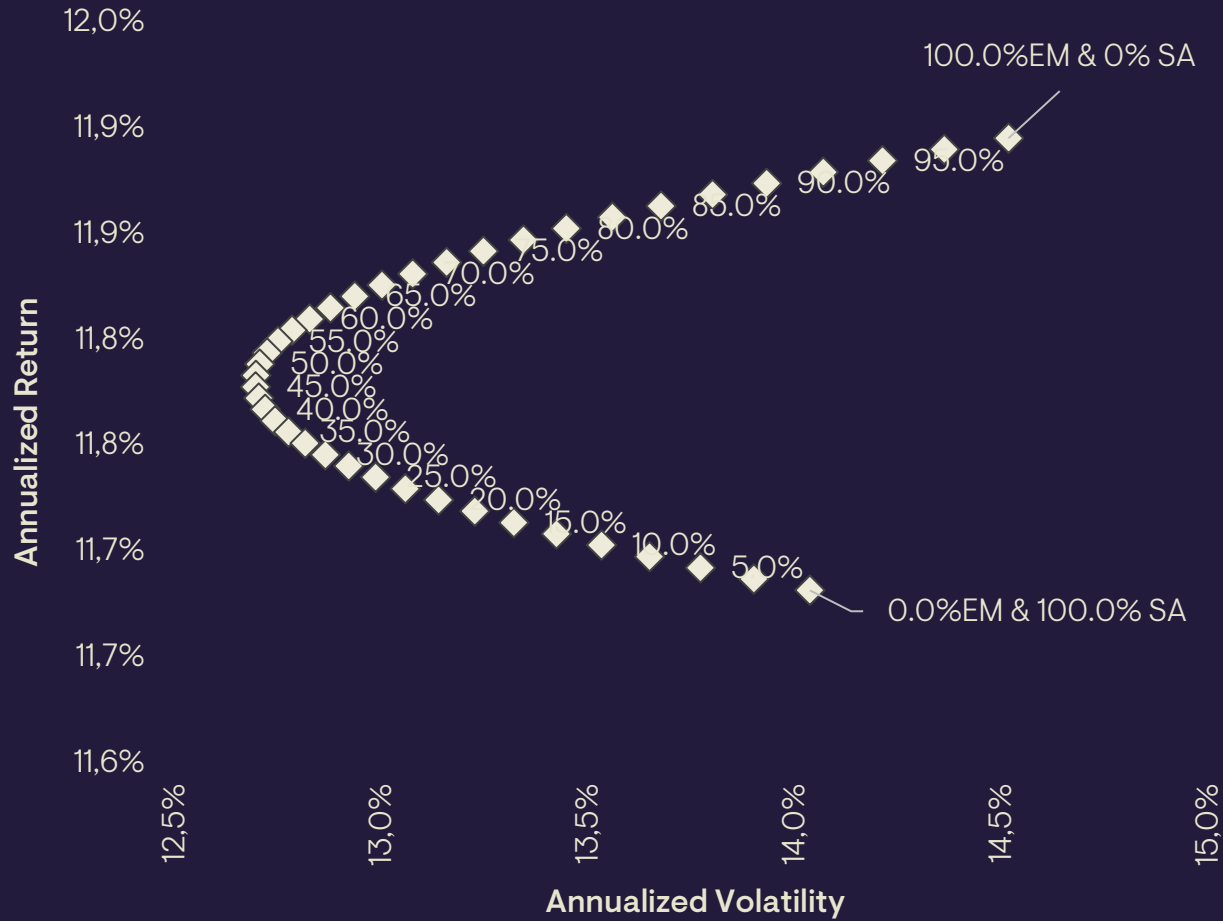
Blending analysis: impact of adding 4F EM into FTSE/JSE

Monthly Returns Over 10YR

Correlation of Excess Returns: 0.114



Blending Analysis



Past performance does not predict future returns; losses may be made.

These returns are hypothetical, were not attained by any client, or portfolio managed by Ninety One, and are for illustrative purposes only.

Source: eVestment, March 2026. Returns are in ZAR, Gross Returns.

For further information on model return results, please see the Important information section. Actual events may be different, perhaps materially, from those presented. No investor or client of the Firm has actually experienced the hypothetical results presented. Additional and supporting information is available upon request. For further information on Model return results, please see the Important information section.



Thank you

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