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Investing for a  
world of change

# Broadening out of markets and opportunities

Rehana Khan  
Ninety One Equity Fund





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# A disappointing start to 2025, but a strong recovery over the last 9 months

## Ninety One Equity Fund

### Annualised performance in ZAR as at 31 December 2025



	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	27.1%	16.4%	14.5%	9.9%	11.6%	14.7%
Comparison Index**	31.2%	19.8%	17.5%	11.2%	12.6%	14.5%
(ASISA) South African EQ General	28.9%	16.2%	15.4%	9.1%	10.5%	13.2%

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

Source: Morningstar, dates to 30 December 2025, 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%.

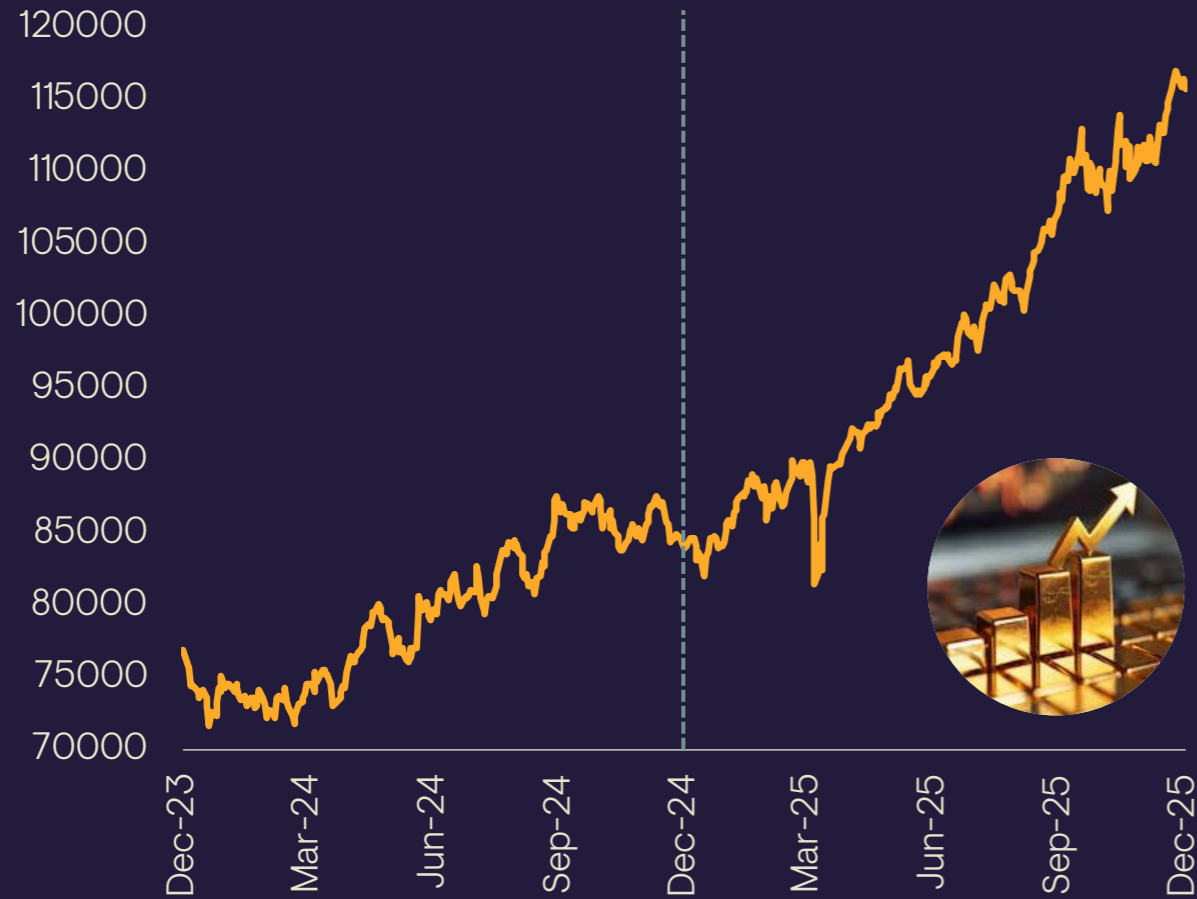
\*\* Comparison index: 70.0% FTSE/JSE Capped Shareholder Weighted All Share Index TR ZAR (SWIX CAPI) + 30.0% MSCI AC World (ACWI) Net Return (87.5% SWIX CAPI + 12.5% MSCI ACWI pre 01/05/2023, 87.5% ALSI + 12.5% MSCI ACWI pre 1/11/2017 and ALSI pre 15/07/2016). For further information on indices, please see the Important Information section.



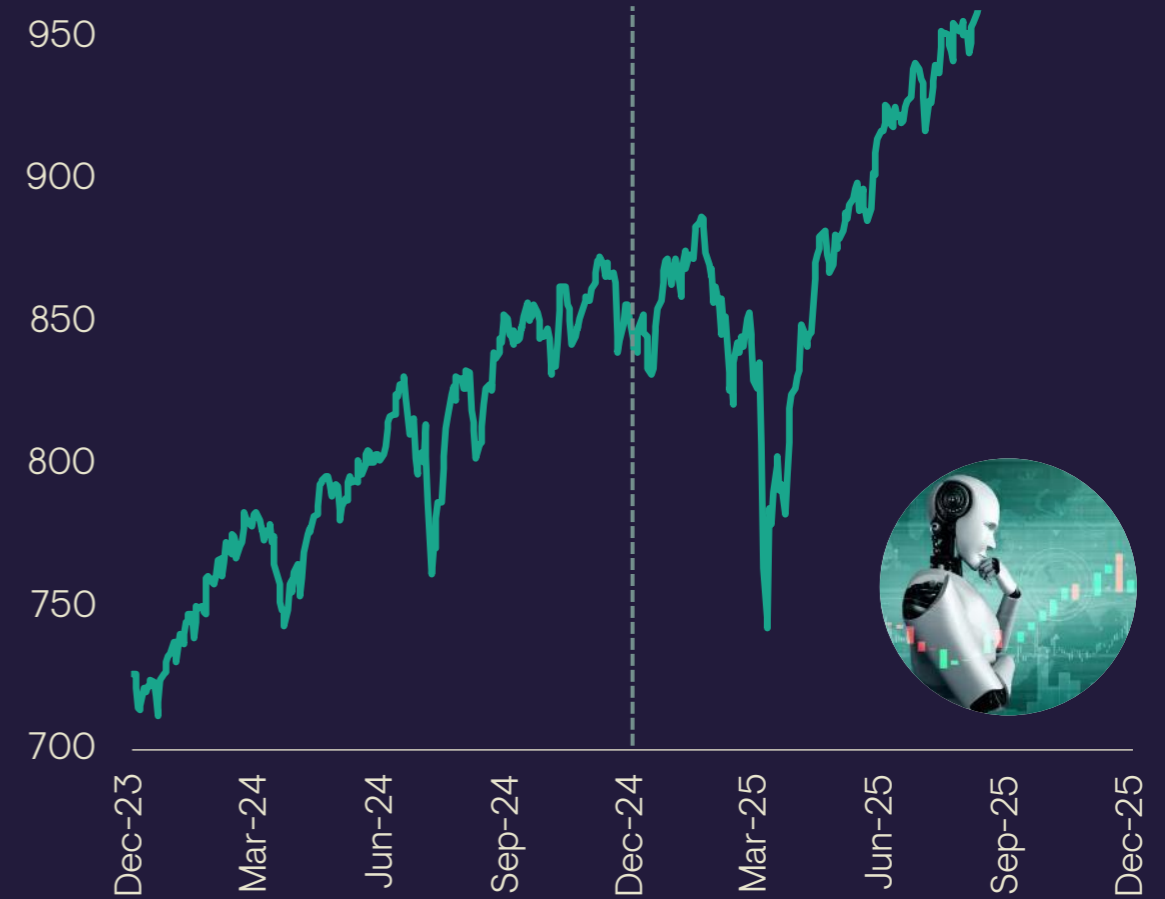
# Looking back over the last two years – markets hitting all-time highs

2025 saw a strong recovery since ‘tariff hic-up’ at the start of the 2<sup>nd</sup> quarter

### FTSE / JSE All Share Index



### MSCI ACWI in US\$



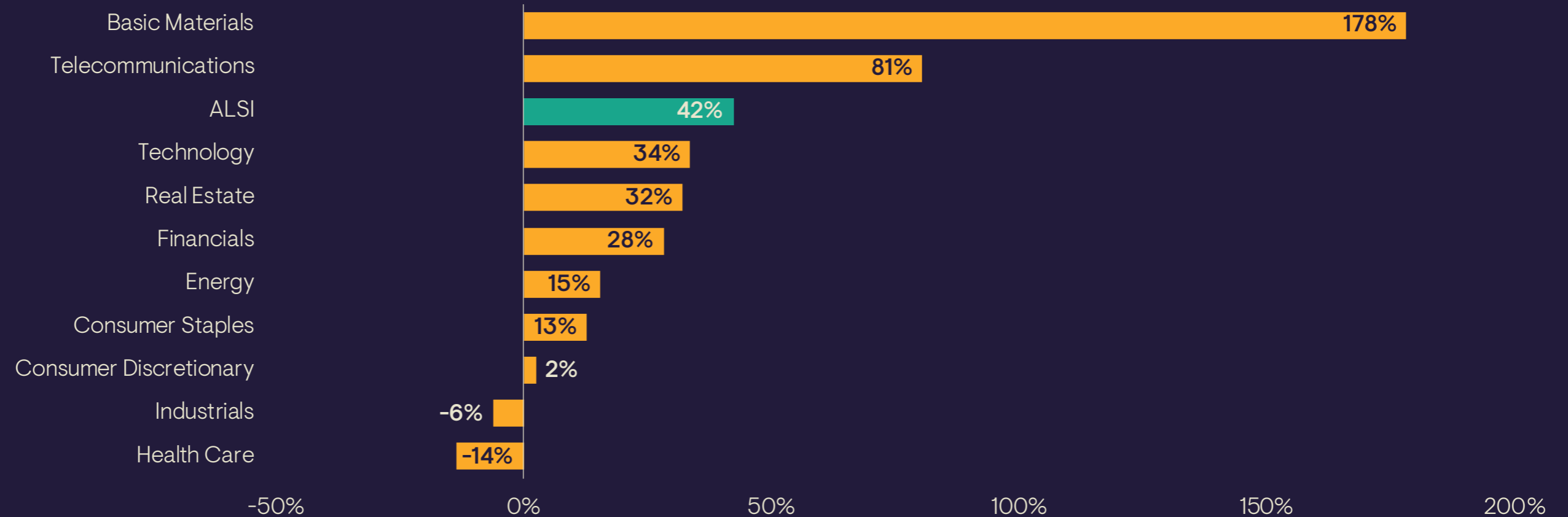


# An exceptional, but concentrated, year for SA equities

Precious metals dominated, but the rest of the market delivered reasonable returns

## SA Equities in 2025

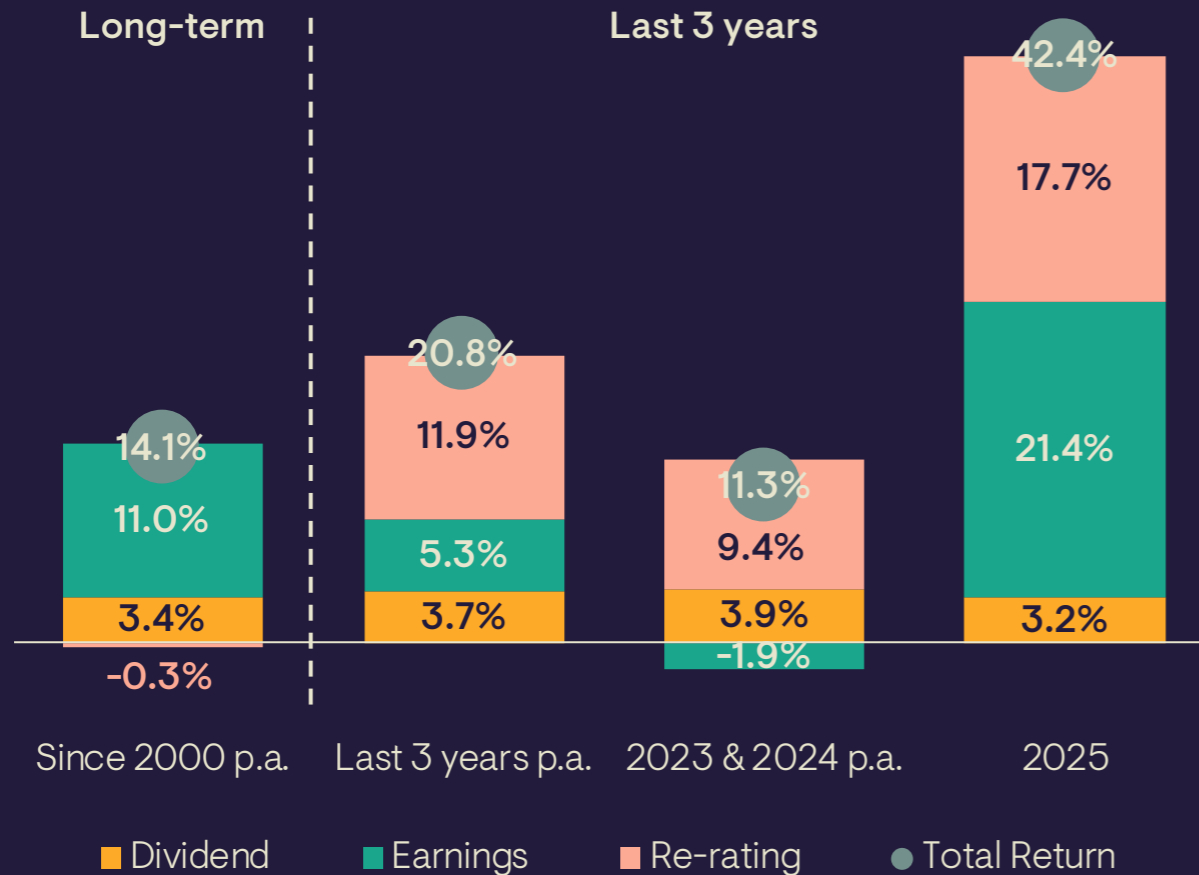
Precious metals dominated



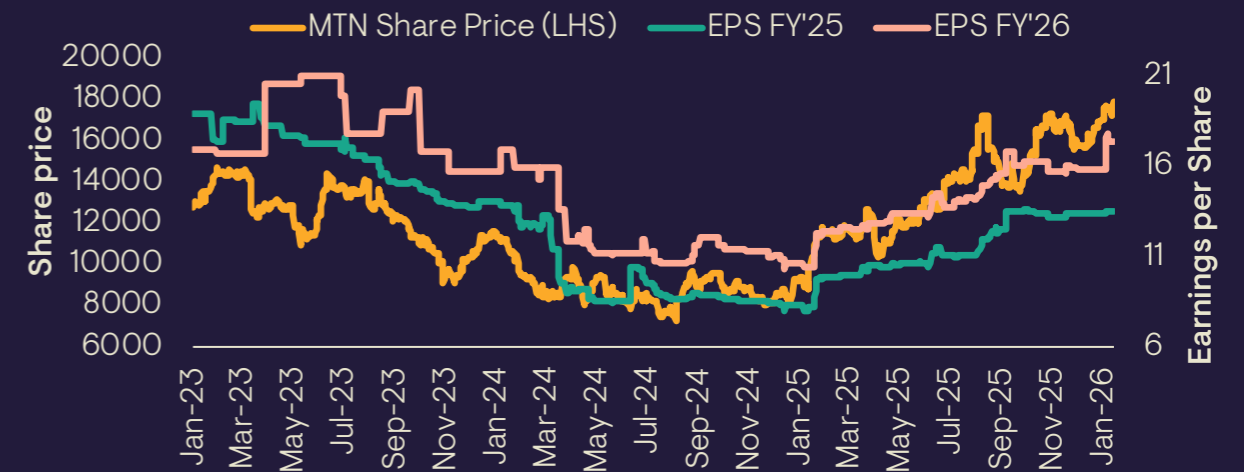


# SA equities delivered decent returns, however largely sentiment-driven (re-rating), not by fundamentals (earnings)... but it is changing

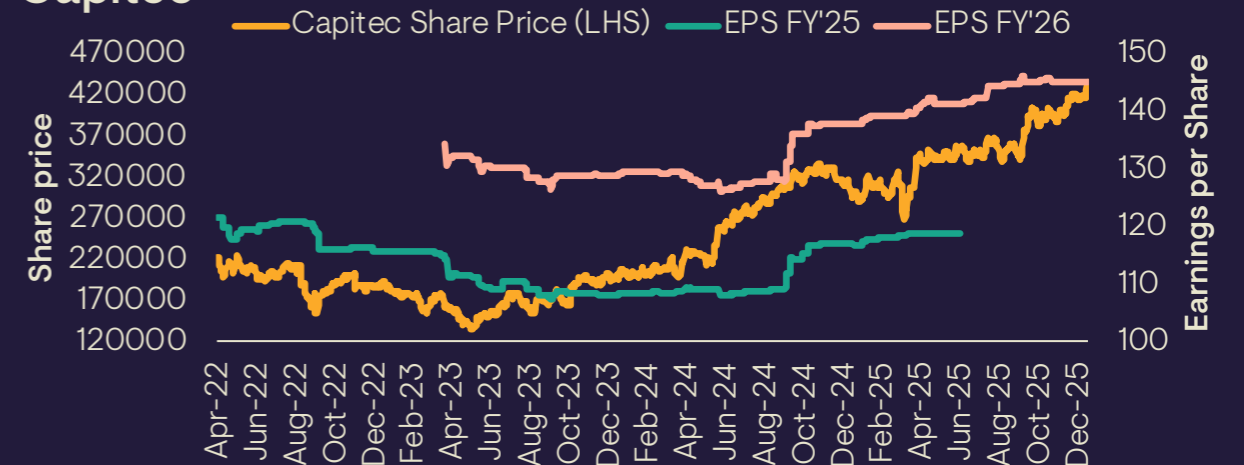
**Breakdown of ALSI returns over recent years**  
As at 31 December 2025



**A turning point in earnings expectations**  
**MTN**



**Capitec**



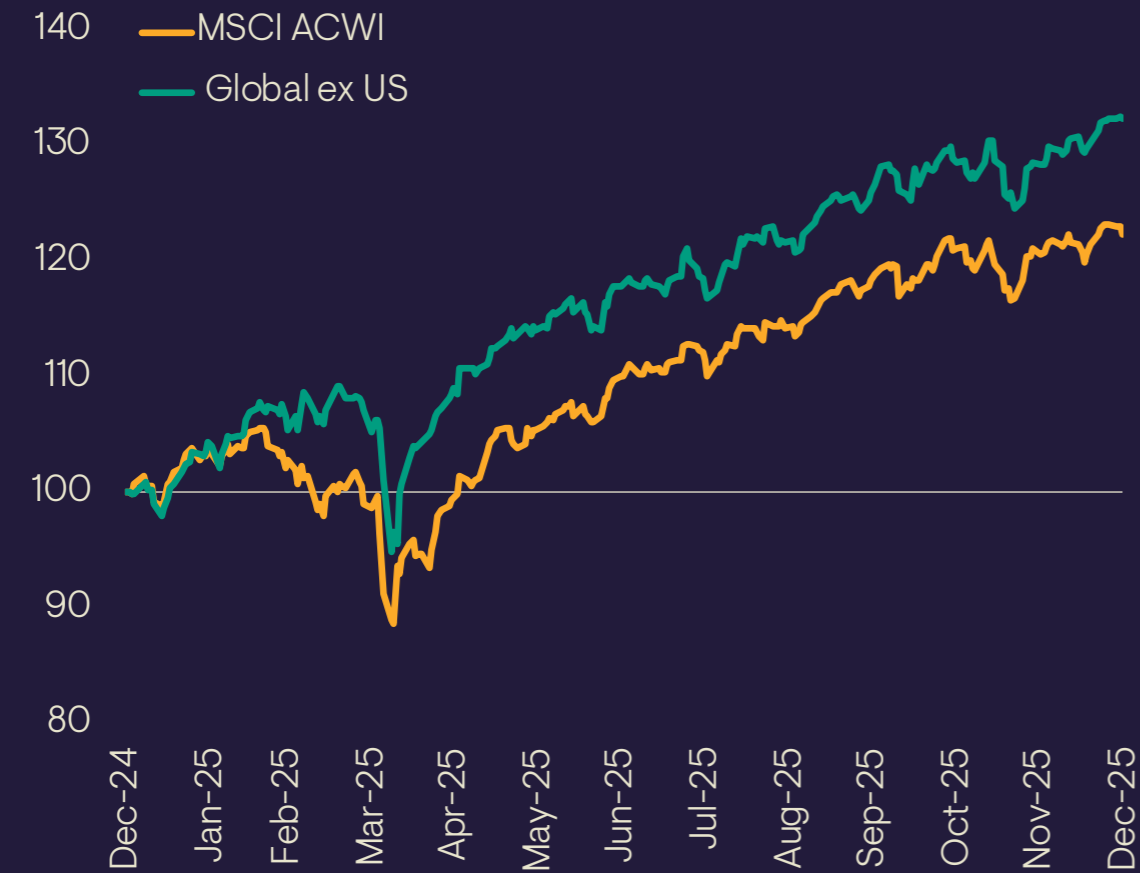


# 2025 was another good year for global equities

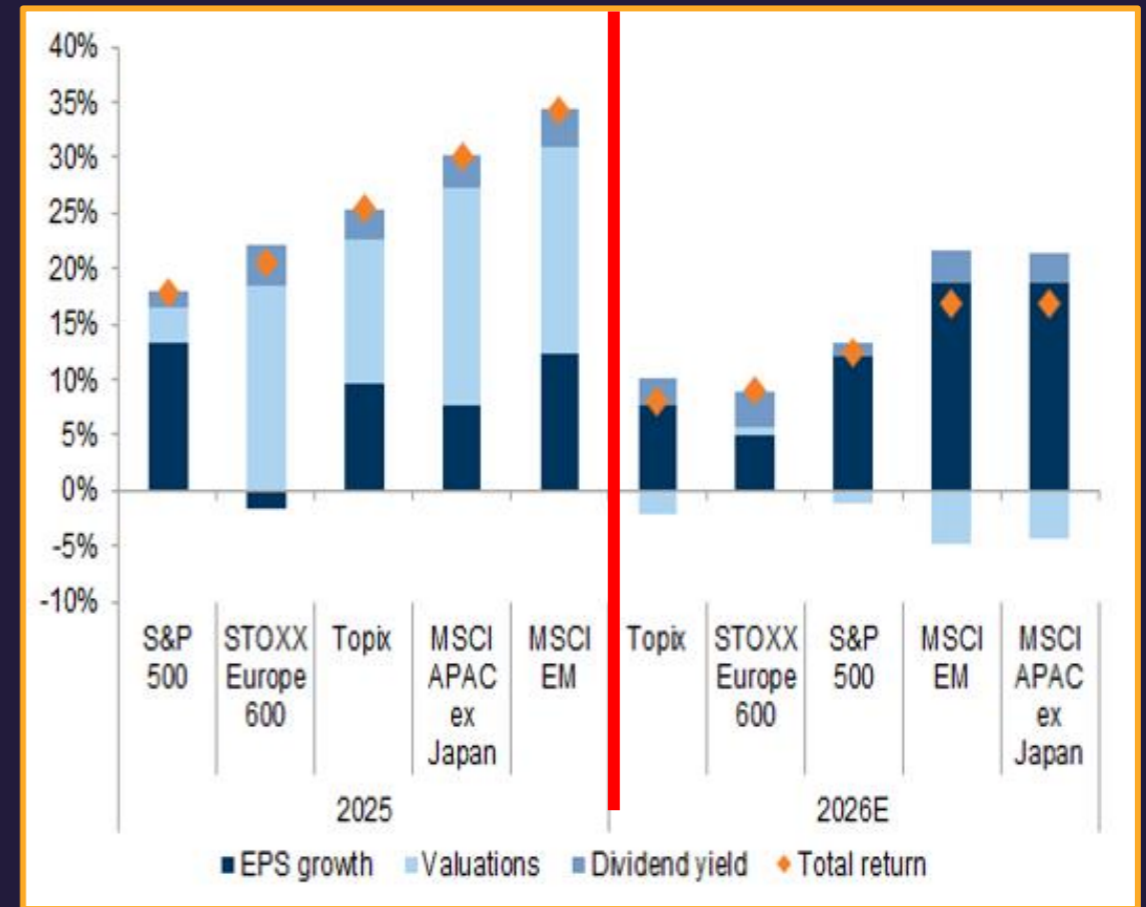
Broadening out of return drivers compared to 2024

## US no longer dominated

Regional dispersion of returns (US\$)



## Total return decomposition





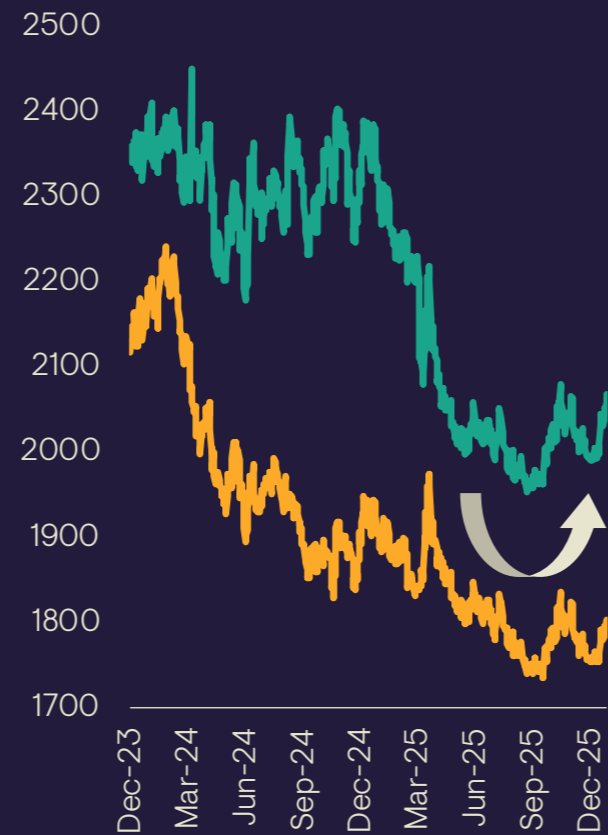
# Earnings expectations have turned positive, especially in the US and in SA

## US (S&P500)



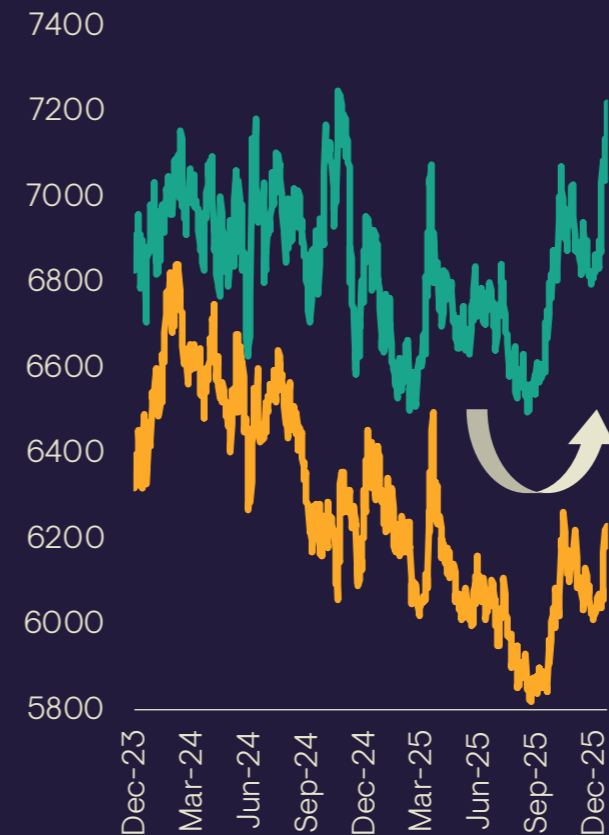
— S&P500: Consensus EPS 2026  
— S&P500: Consensus EPS 2027

## Emerging Markets



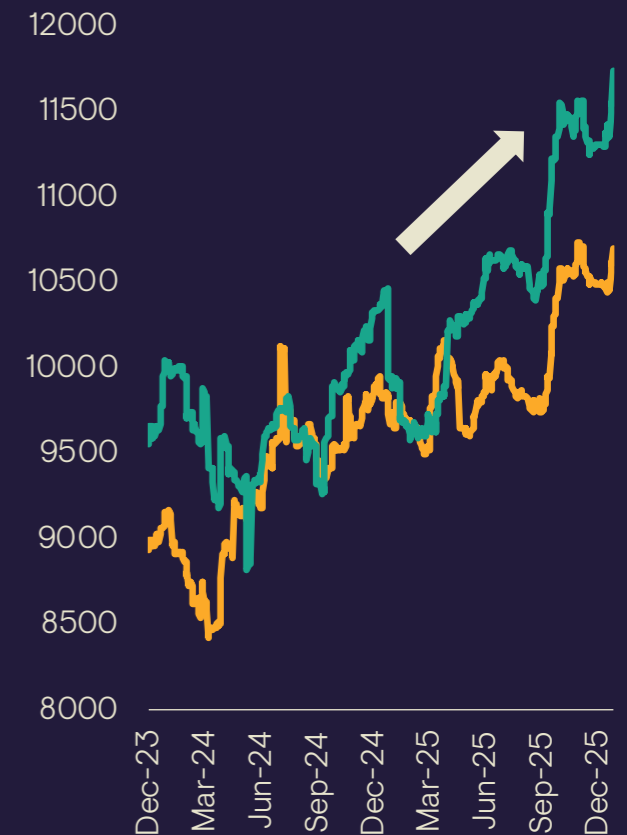
— EM: Consensus EPS 2026  
— EM: Consensus EPS 2027

## EM ex China



— EM ex China: Cons EPS 2026  
— EM ex China: Cons EPS 2027

## South Africa (ALSI)



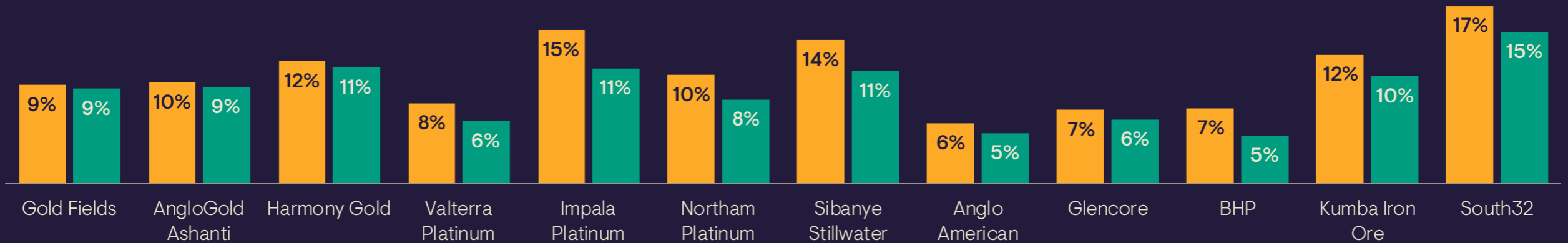
— JSE: Consensus EPS 2026  
— JSE: Consensus EPS 2027



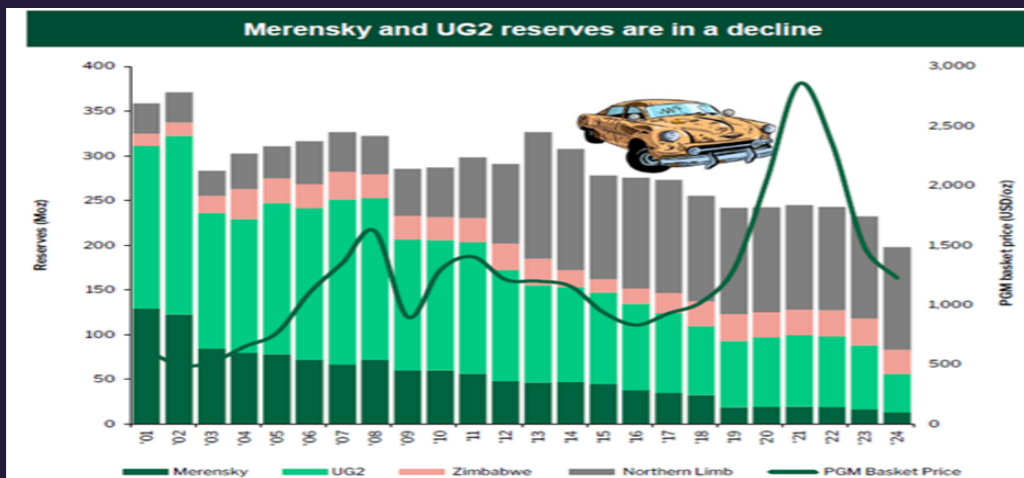
# Commodity market developments

## Reasonable value: FCF yields

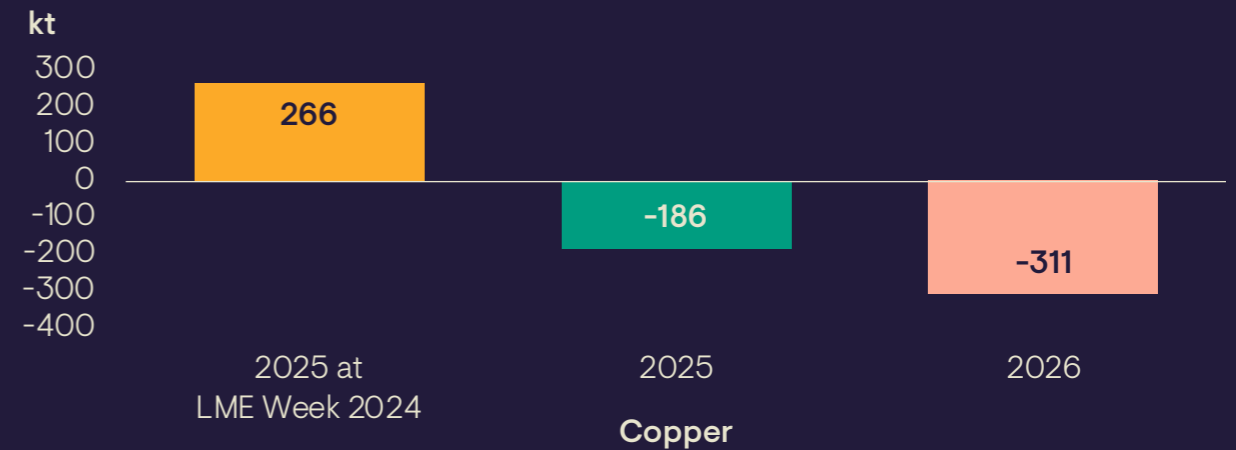
Spot FY2 Base FY2



## South African PGM reserves in structural decline due to ageing mines and under-investment reducing supply



## Copper market deficit

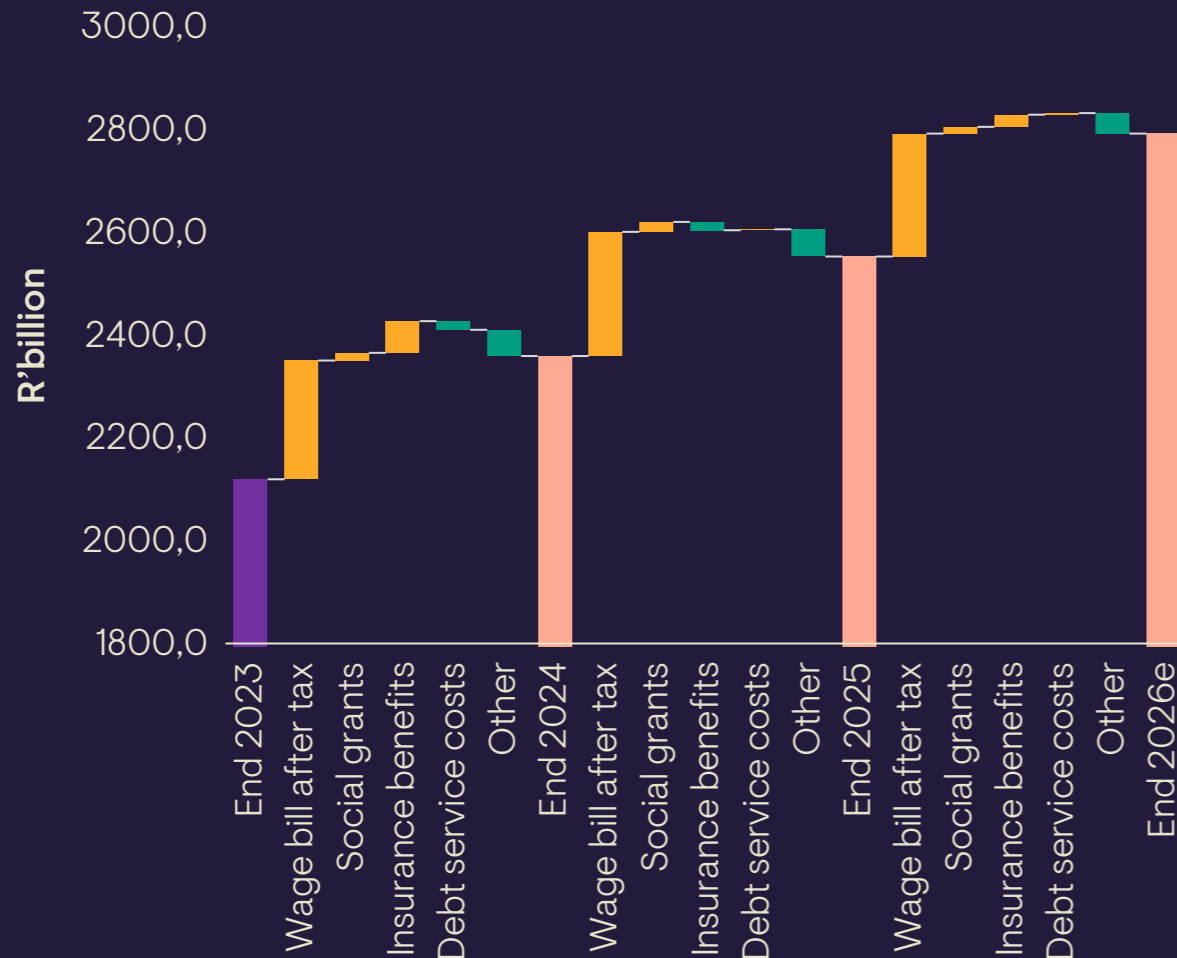




# SA consumer wallet has increased in 2025, but the spending patterns have changed

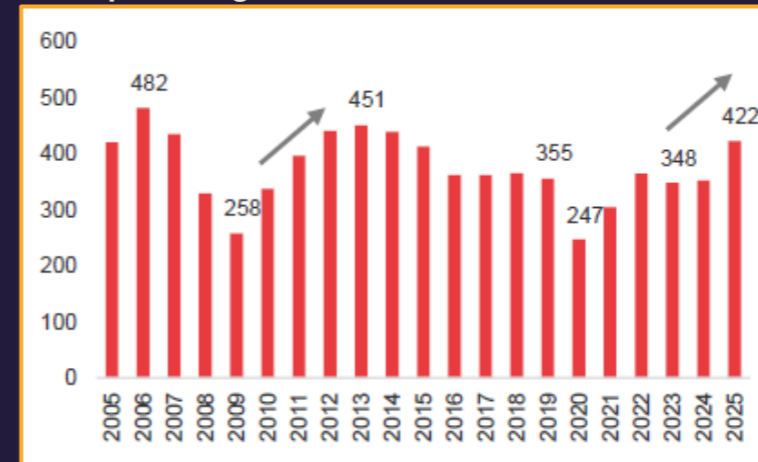
## Expanding SA consumer wallet

Cash available for retail and discretionary spend

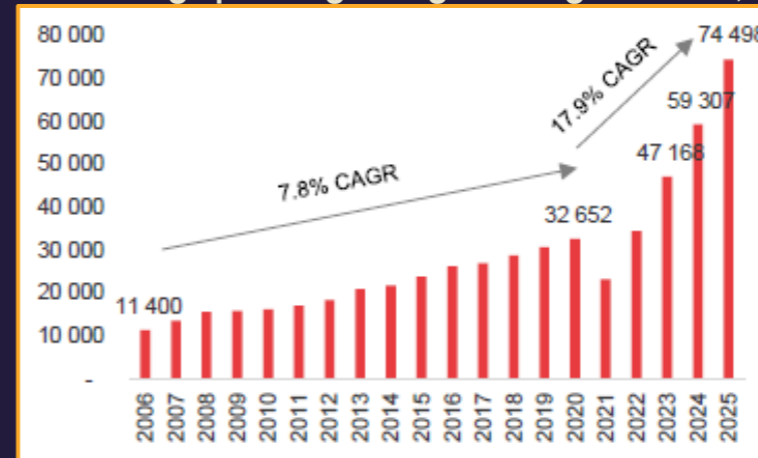


## Changing spending patterns

New passenger vehicle sales volumes in SA ('000)



Gambling spend (gross gambling revenue, Rm)





# SA banks an attractive investment opportunity for specific holdings

Positive earnings revisions at reasonable value, with re-rating potential

## SA 10 year / SA Banks DY



## SA banks fundamentals

	PE (rolled 12m fwd)	Dividend Yield (FY25e)	2y Cons EPS Growth p.a.
ABSA	7.3	6.8%	10.5%
Standard Bank	8.8	5.8%	10.3%
FirstRand	9.8	5.6%	13.7%
Nedbank	7.0	7.8%	9.5%
Capitec	24.9	1.8%	17.5%
Investec	8.4	6.8%	9.2%

Preference for Capitec, Standard Bank and Nedbank



# Excited about the outlook in key opportunities

Share prices to reflect fundamentals (earnings)

## Cyclicals (45%)



## Growth (26%)



## Defensives (29%)





# Conclusion

Global economy not too hot, not too cold...



- **2026: A year of growth, mild disinflation and upside risk**
  - Global consumer remain solid, sentiment improved, lower oil prices
  - Policy continues to focus on growth
  - Further rate cuts expected
- **Flow of money is shifting:** this requires thoughtful positioning, not a year to rely on a single narrative; it's a year to be selective and diversified
- **Emerging Markets and Real Assets** look attractive
- Your portfolio is managed by an experienced, **globally integrated** investment team



Thank you

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