



# SA Multi-Asset – Surviving the short term to thrive longer term

Clyde Rossouw

28 April 2020



# Important information

All information and opinions provided are of a general nature and are not intended to address the circumstances of any particular individual or entity. We are not acting and do not purport to act in any way as an advisor or in a fiduciary capacity. No one should act upon such information or opinion without appropriate professional advice after a thorough examination of a particular situation. This is not a recommendation to buy, sell or hold any particular security.

Collective investment scheme funds are generally medium to long term investments and the manager, Ninety One Fund Managers SA (RF) (Pty) Ltd, gives no guarantee with respect to the capital or the return of the fund. Past performance is not necessarily a guide to future performance. The value of participatory interests (units) may go down as well as up. Funds are traded at ruling prices and can engage in borrowing and scrip lending. The fund may borrow up to 10% of its market value to bridge insufficient liquidity. A schedule of charges, fees and advisor fees is available on request from the manager which is registered under the Collective Investment Schemes Control Act. Additional advisor fees may be paid and if so, are subject to the relevant FAIS disclosure requirements. Performance shown is that of the fund and individual investor performance may differ as a result of initial fees, actual investment date, date of any subsequent reinvestment and any dividend withholding tax. There are different fee classes of units on the fund and the information presented is for the most expensive class. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Where the fund invests in the units of foreign collective investment schemes, these may levy additional charges which are included in the relevant TER. Additional information on the funds may be obtained, free of charge, at [www.ninetyone.com](http://www.ninetyone.com). Ninety One SA (Pty) Ltd (“Ninety One SA”) is an authorised financial services provider and a member of the Association for Savings and Investment SA (ASISA).

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.

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.

The fund is a sub-fund in the Investec Global Strategy Fund, 49 Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, and is approved under the Collective Investment Schemes Control Act.

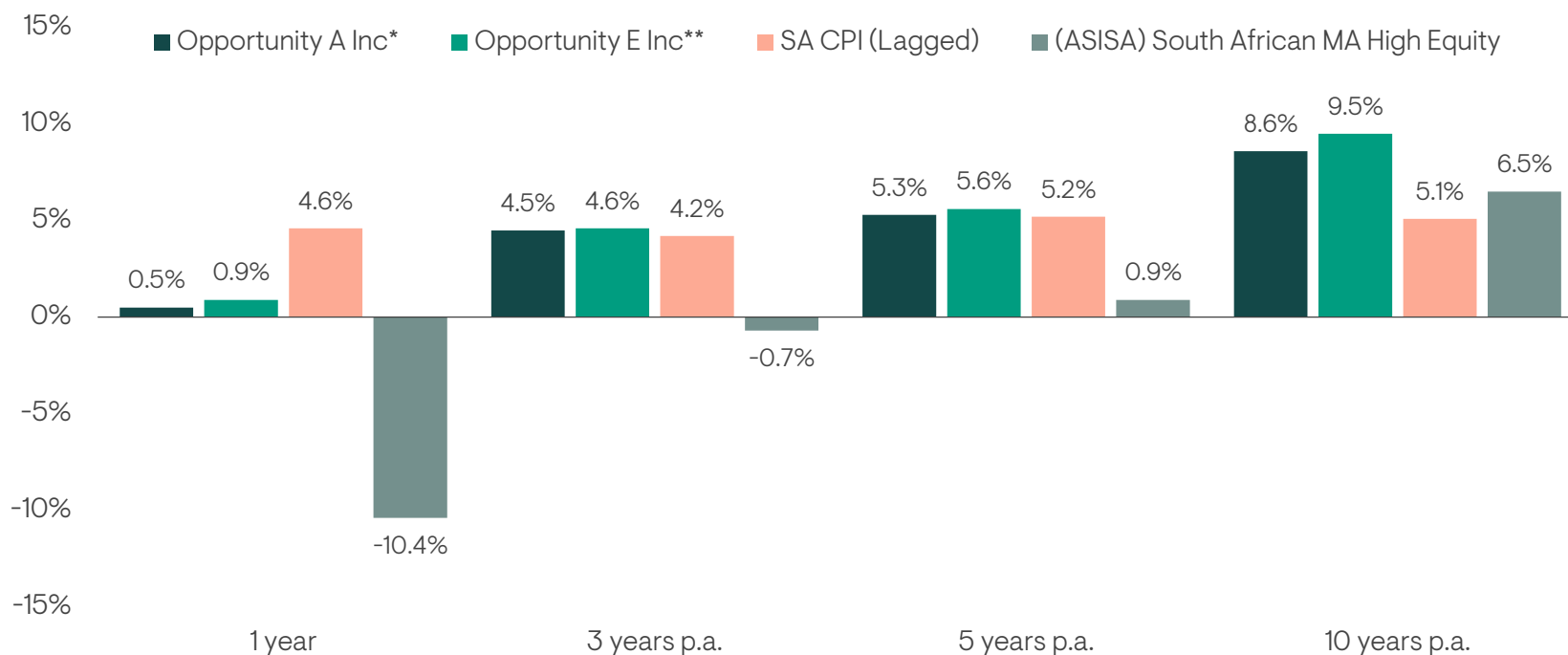
In the event that specific funds are mentioned please refer to the relevant minimum disclosure document in order to obtain all the necessary information in regard to that fund.

This presentation is the copyright of Ninety One SA and its contents may not be re-used without Ninety One SA’s prior permission.

# Ninety One Opportunity Fund

## Performance

### Annualised performance in ZAR



	1 year	3 years p.a.	5 years p.a.	10 years p.a.
Opportunity A Inc*	0.5%	4.5%	5.3%	8.6%
Opportunity E Inc**	0.9%	4.6%	5.6%	9.5%
SA CPI (Lagged)	4.6%	4.2%	5.2%	5.1%
(ASISA) South African MA High Equity	-10.4%	-0.7%	0.9%	6.5%

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

Source: Morningstar, dates to 31 March 2020, performance figures above are based on lump sum investment, NAV based, inclusive of all annual management fees but excluding any initial charges, gross income reinvested, 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. \*\* Inception date 03 May 1997.

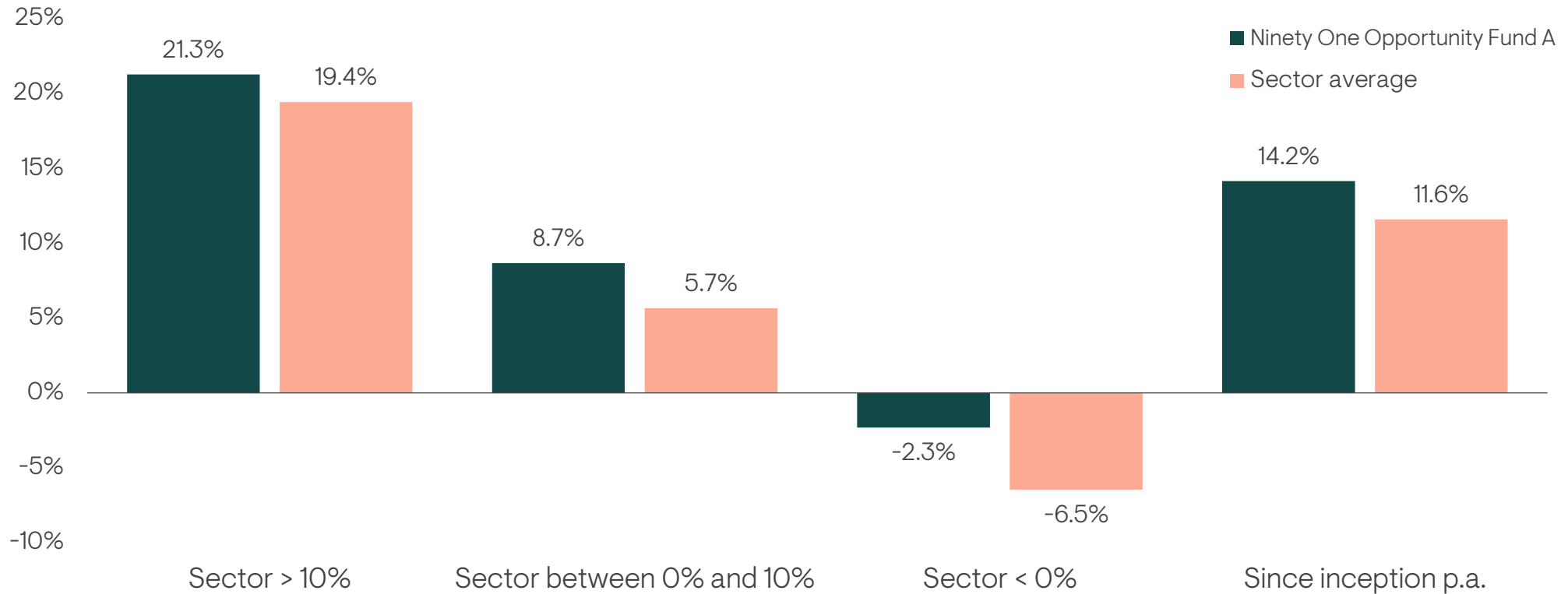
Annualised performance is the average return per year over the period. Individual investor's performance may vary depending on actual investment dates. Highest and Lowest returns are those achieved during any rolling 12 months over the period specified. E share class since inception: Apr-99 61.0% and Feb-09 -15.9% A share class since inception: Jul-05 43.8% and Feb-09 -15.7%

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

# Resilience in all market conditions

Opportunity Fund – relative to sector average over the last 20 years\*

## Average rolling 12 month performance



Meaningful participation in rising markets, but the true strength of our approach is in sideways to down markets

Past performance should not be taken as a guide to the future, losses may be made. Data is not audited.

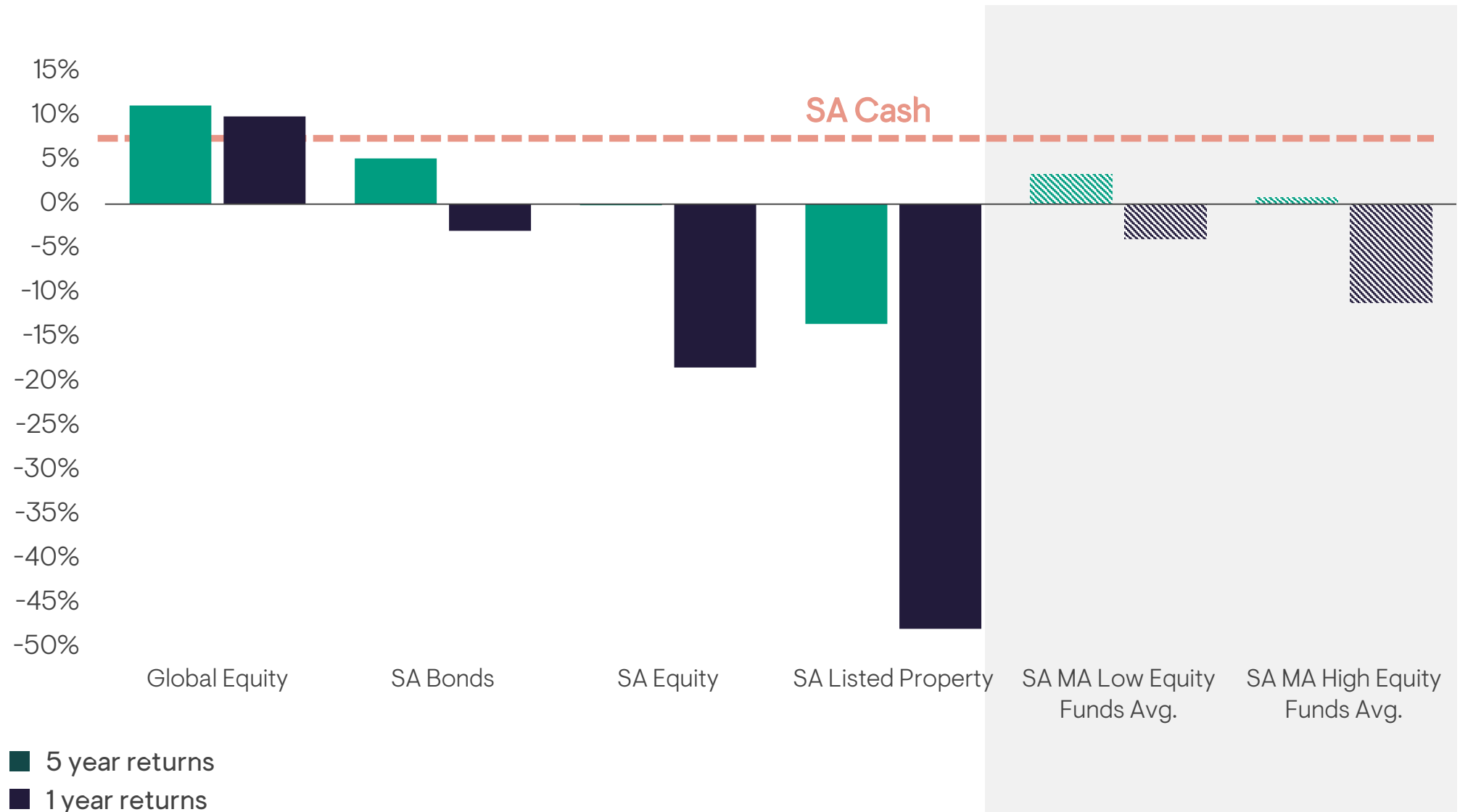
Source: Morningstar, dates to 31 March 2020, NAV based, inclusive of all annual management fees but excluding any initial charges, gross income reinvested, fees are not applicable to market indices, where funds have an international allocation this is subject to dividend withholding tax, in South African Rand.

\* Data since May 2000



# Local assets have not rewarded investors for taking risk

It hasn't been easy for investors





# Global markets have outperformed over the past 5 years

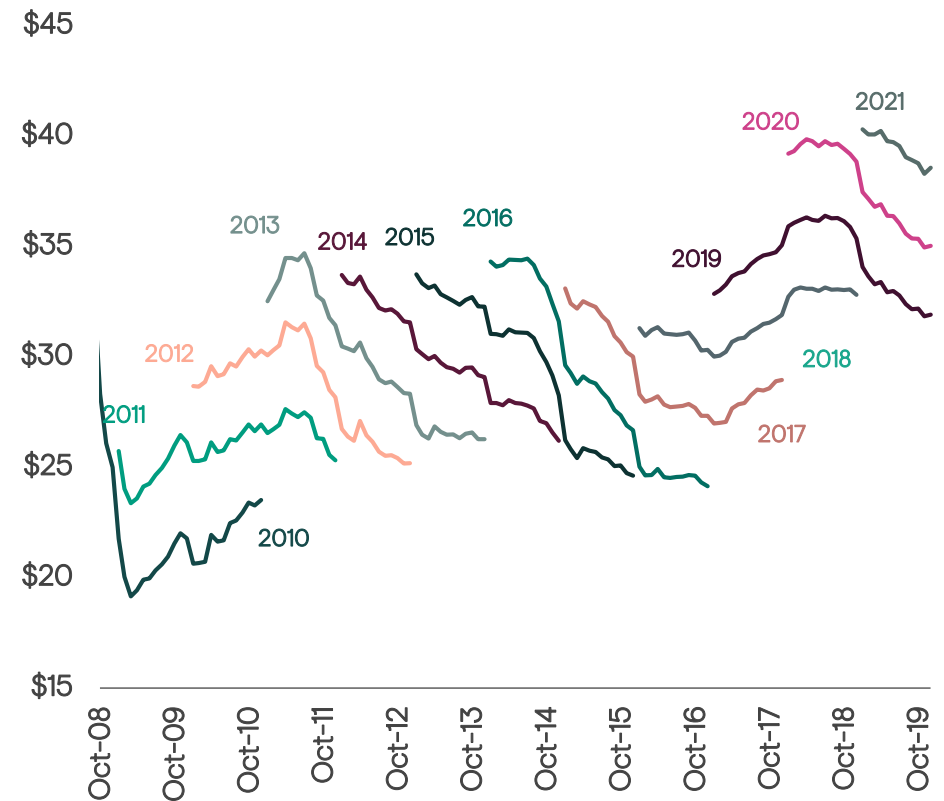


# Macro environment remains uncertain

## 2020 risks and uncertainties

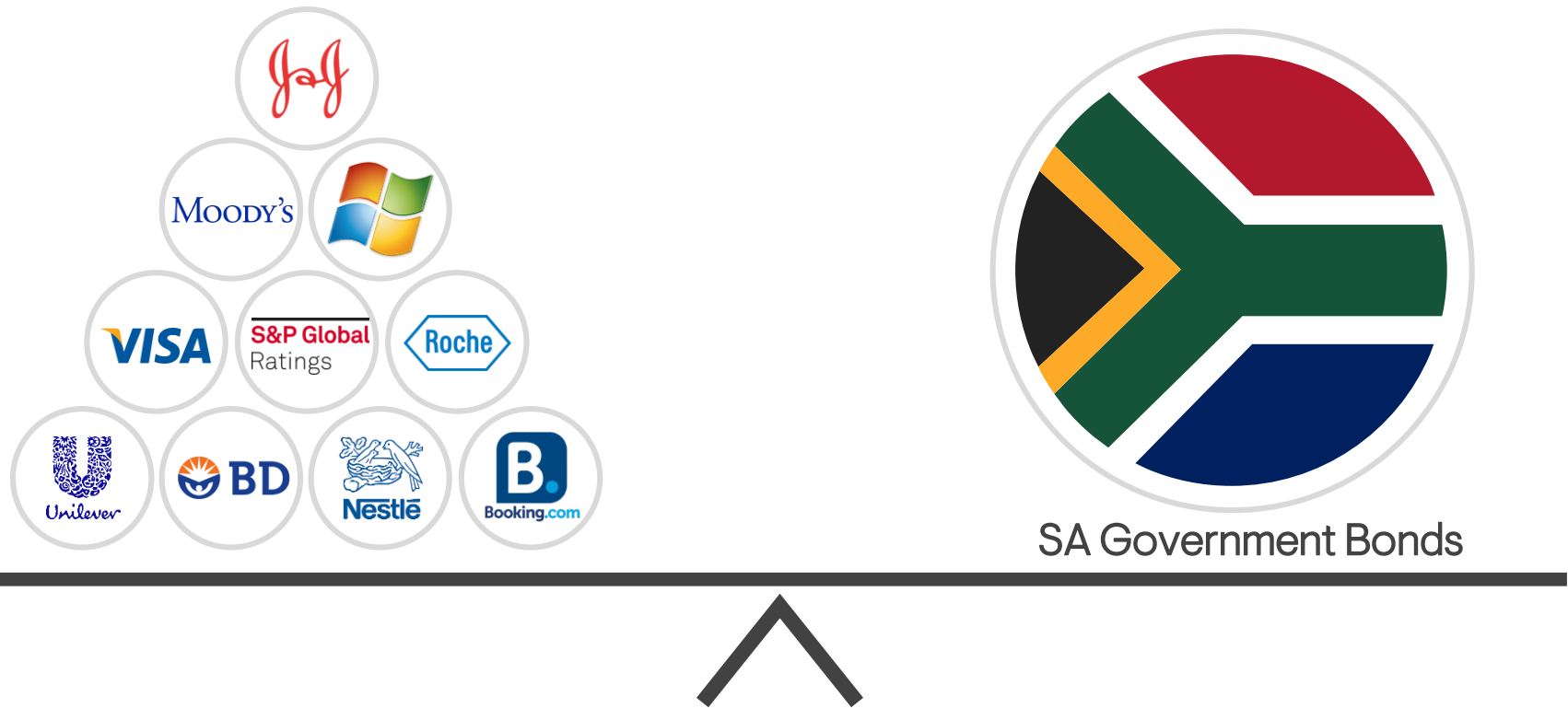
- Coronavirus
- US-China trading relationship post Phase 1 deal?
- UK-EU trading relationship post Brexit?
- Global growth outlook
- Geopolitics
- US election
- Global debt levels
- Technological disruption
- Corporate earnings & valuations

## MSCI ACWI consensus EPS estimates





# How do you balance real returns and capital preservation?



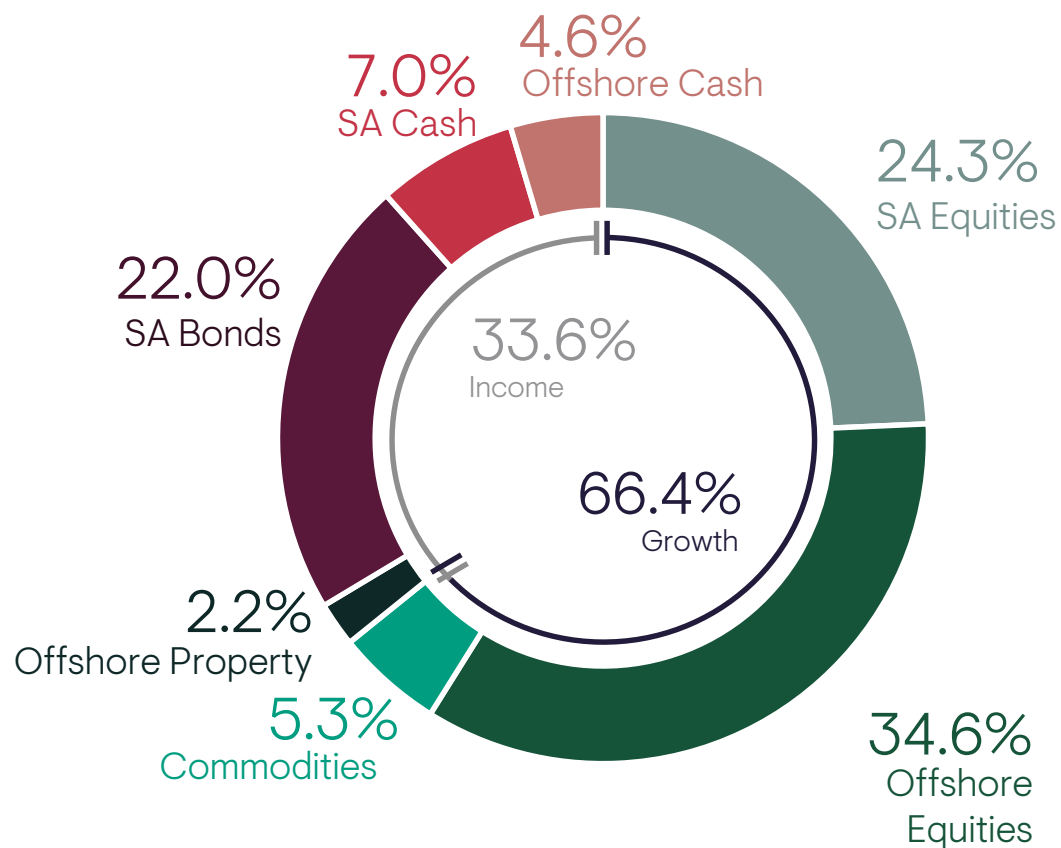




# Aims to provide investors with inflation-beating returns

## Opportunity Fund

### Asset allocation as at 31 March 2020



#### 1. High Quality Global Equities

- Preferred asset class
- High quality global franchises on attractive valuations

#### 2. South African Fixed Interest

- Bonds provide a superior return to cash

#### South African Equities

- High quality stocks to provide real capital growth in volatile markets with lower levels of risk

#### Gold

- Uncorrelated returns – provides protection in uncertain markets

#### Cash

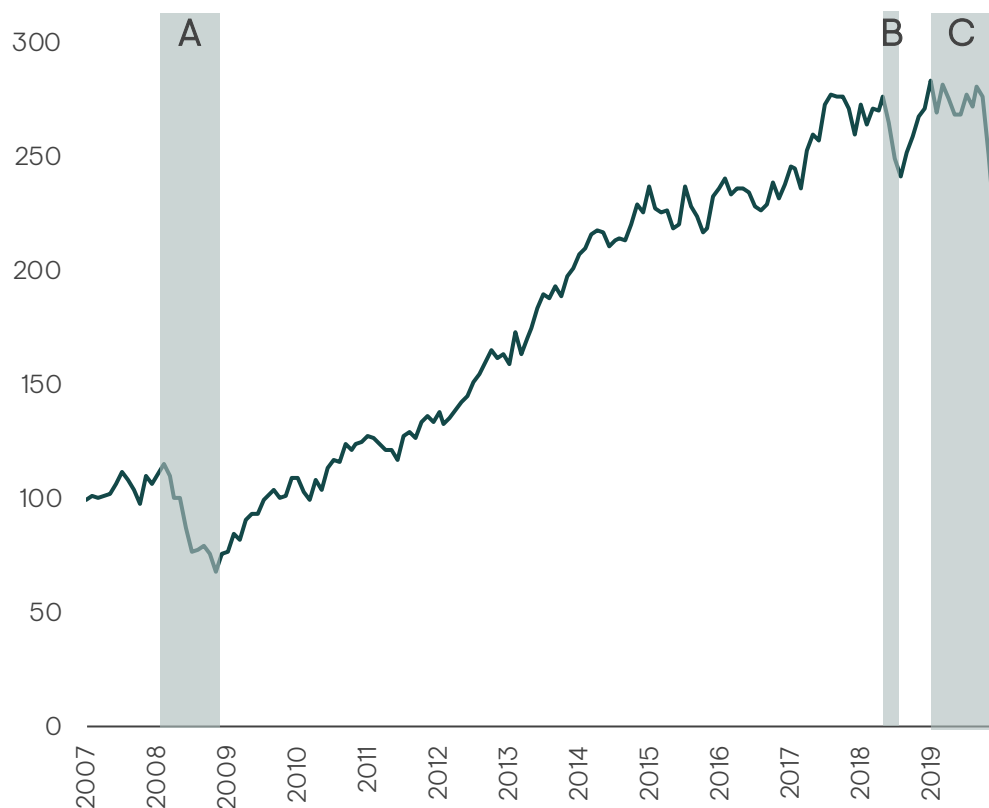
- Waiting for more attractive entry points on select equity opportunities



# Quality global equities provide support when you need it most

Since inception of Global Franchise Fund (30 Apr 2007)

All periods since Apr 2007 when the drawdown on the ALSI was 10% or more



All returns in ZAR

	SA Equities	Global Equities	Global Franchise Fund (I-share)	Global Franchise Fund (A-share)
<b>Period A:</b> May-08 to Feb-09	-40.6%	-36.3%	-19.2%	-19.2%
<b>Period B:</b> Aug-18 to Nov-18	-12.6%	-10.8%	-6.6%	-6.9%
<b>Period C:</b> Apr-07 to Mar-20	-22.0%	+6.7%	+21.2%	+20.2%
Full period (pa): Apr-07 to Mar-20	6.4%	10.4%	14.7%	13.7%
Full period (cumulative): Apr-07 to Mar-20	121.7%	260.9%	486.0%	425.4%

Source: Bloomberg, Morningstar and Ninety One from 30 April 2007 to 31 March 2020

The following indices have been used for the analysis: SA Equities (FTSE/JSE All Share Index) and Global Equities (MSCI ACWI in Rand).

Fees and fee assumption: Global Franchise Fund is NET of I-class fees. For comparison, the following annual fees have been deducted: SA Equities (0.3% pa) and Global Equities (0.2% pa)

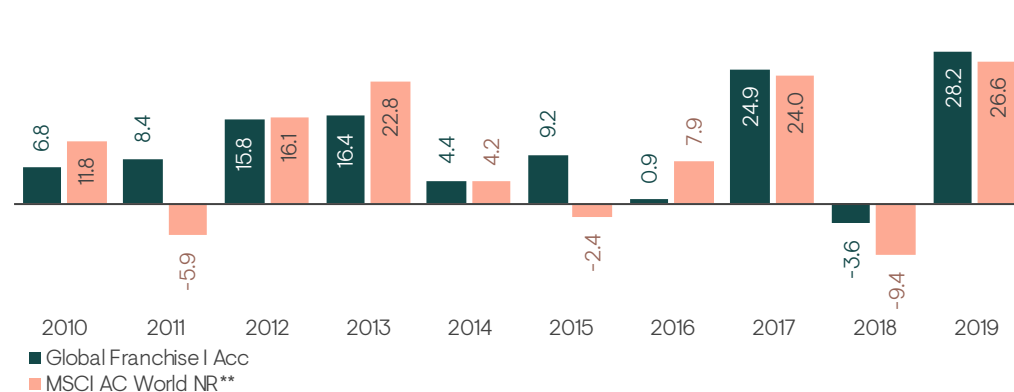
Shaded areas present all periods where the ALSI experienced a drawdown of more than 10%. Source: Morningstar, 31 March 2020. Performance is net of fees (NAV based, including ongoing charges, excluding initial charges), gross income reinvested, in USD. \* Inception date 10 April 2007. The performance is based on the OEIC Ninety One Global Select Equity Fund from 10 April 2007 which then merged into the Luxembourg-domiciled GSF Global Franchise Fund on 04 July 2009. \*\* Benchmark: At Inception = MSCI World NR; Current Since 1 Oct 2011 = MSCI AC World NR. Highest and lowest returns achieved during a Rolling 12 month period since inception: I class: Feb-10: 55.4% and Feb-09: -38.6%. A class: 52.4% Mar.10 and -4.5% Dec.18 The Fund is actively managed. Any index is shown for illustrative purposes only.



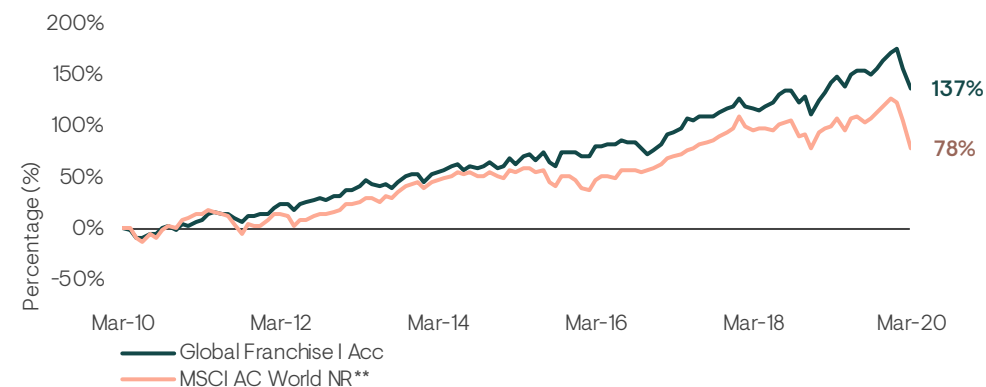
# Global Franchise Fund

## Performance

### Annual performance in USD



### Cumulative performance in USD



	1 year	3 years p.a.	5 years p.a.	10 years p.a.	Since Inception p.a.*
Global Franchise I Acc	-2.1%	6.8%	7.7%	9.0%	6.9%
MSCI AC World NR**	-11.3%	1.5%	2.8%	5.9%	3.0%
<b>Active return</b>	<b>9.1%</b>	<b>5.3%</b>	<b>4.8%</b>	<b>3.1%</b>	<b>3.9%</b>

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

Source: Morningstar, 31 March 2020. Performance is net of fees (NAV based, including ongoing charges, excluding initial charges), gross income reinvested, in USD.

\* Inception date 10 April 2007. The performance is based on the OEIC Ninety One Global Select Equity Fund from 10 April 2007 which then merged into the Luxembourg-domiciled Ninety One GSF Global Franchise Fund on 04 July 2009.

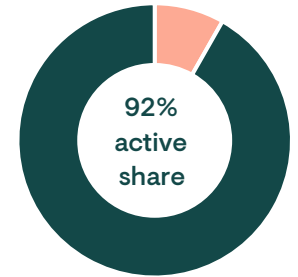
\*\* Benchmark: At Inception = MSCI World NR; Current Since 1 Oct 2011 = MSCI AC World NR

Highest and lowest returns achieved during a Rolling 12 month period since inception: Feb-10: 55.4% and Feb-09: -38.6%.

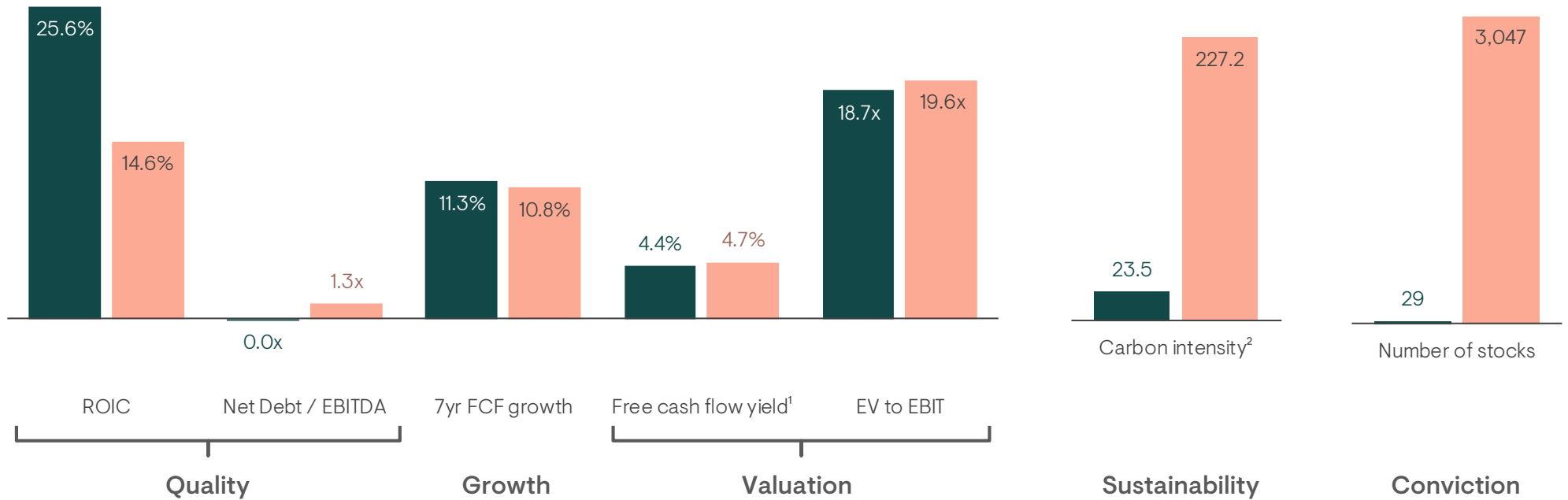
The Fund is actively managed. Any index is shown for illustrative purposes only.

# Attractive current positioning

## Key portfolio characteristics



■ Global Franchise ■ MSCI ACWI

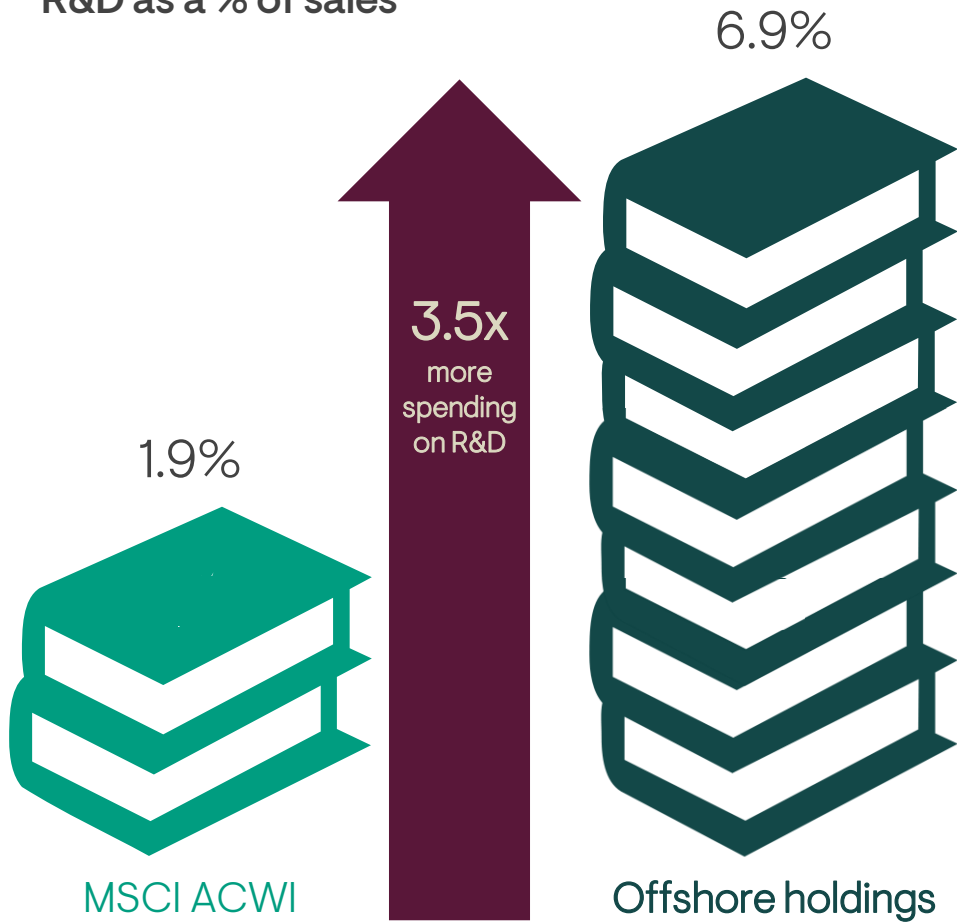


High conviction focus on quality, growth, valuation and sustainability

Source: FactSet, Ninety One, 31 March 2020. The portfolio may change significantly over a short period of time. The above reflects the portfolio characteristics reweighted excluding cash and cash equivalents. Based on a pooled vehicle within the strategy and is not available at the composite level. Inception date: 30 April 2007. <sup>1</sup>MSCI ACWI excludes banks from free cashflow yield calculation. <sup>2</sup>Carbon intensity measures the carbon efficiency of a portfolio and is defined as the total carbon emissions of the portfolio per \$million of portfolio sales. Carbon intensity as at 28 February 2020. For further information on indices, please see the Important Information section.

# Well positioned for the future

## Sustainability through innovation R&D as a % of sales

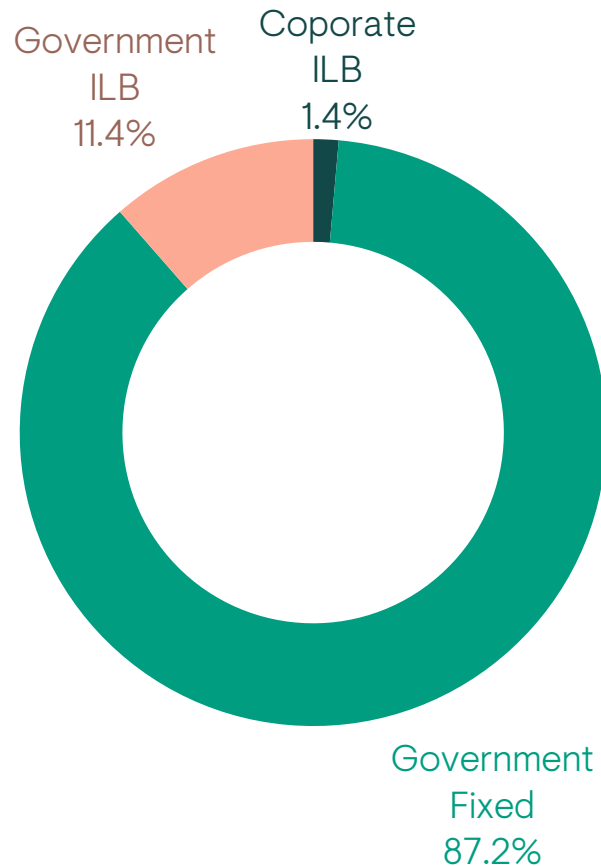


## Exposure to key long-term themes





## SA bonds complement high quality global equity holdings



- Duration: 6.1 years
- Average yield: 11.4% p.a.
- Compelling real returns
- Provides superior returns to cash

# How much money can we lose in bonds?

Return over one year after a change in the SA 10 year bond yield



**13.0%**

Capital loss	-11.0%
Coupon received	11.3%
Total return	0.3%

12.0% SA Bonds 11.0% yield 10.0%

5.6% Total return 17.5%



**9.0%**

Capital gain	13.0%
Coupon received	11.3%
Total return	24.3%



# Ninety One Opportunity Fund

Top 10 equities as at 31 March 2020

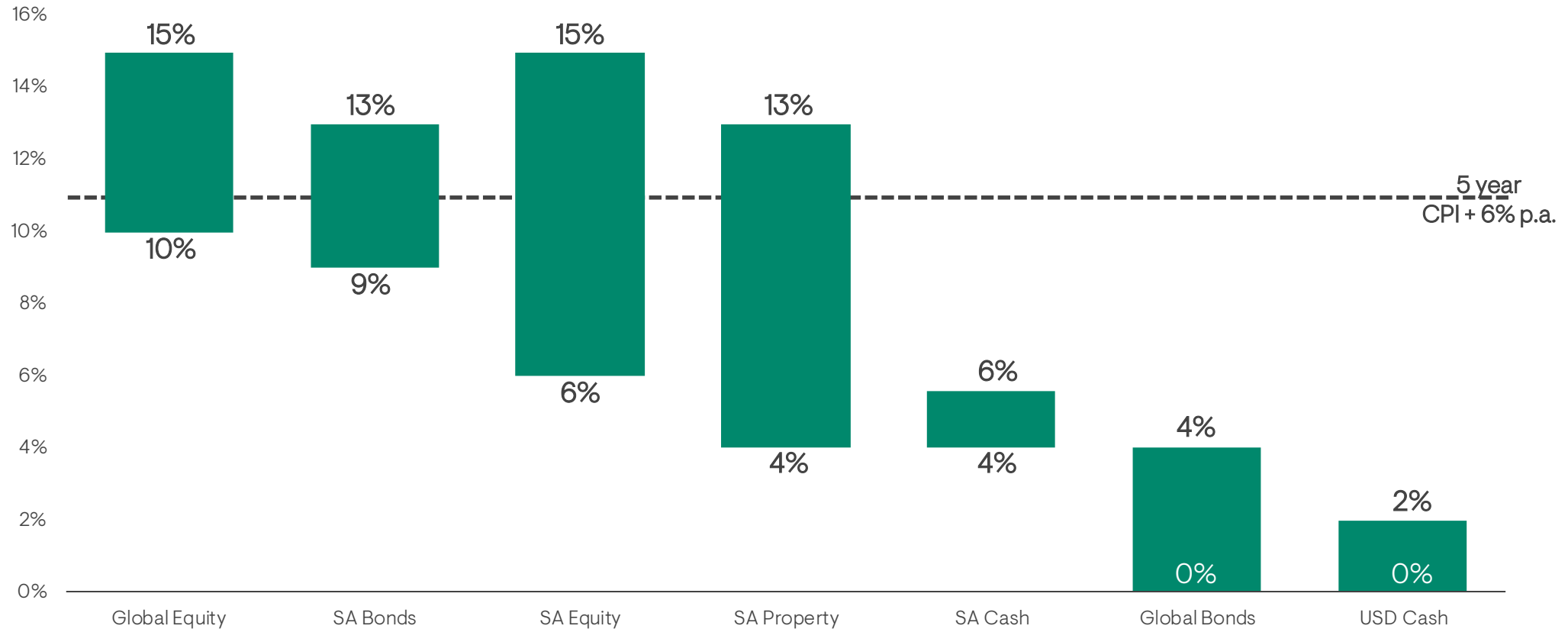
<b>Top 10 stocks</b>	<b>% of fund</b>
British American Tobacco	4.2%
Assore	3.7%
Visa	3.1%
Naspers	2.7%
Richemont	2.7%
Microsoft	2.2%
Mondi	2.1%
Santam	2.1%
Moody's	1.9%
Versign	1.8%
<b>Total</b>	<b>26.5%</b>





# Positioning for the future

Range of expected annual returns for current holdings over five years





## Important information

All information and opinions provided are of a general nature and are not intended to address the circumstances of any particular individual or entity. We are not acting and do not purport to act in any way as an advisor or in a fiduciary capacity. No one should act upon such information or opinion without appropriate professional advice after a thorough examination of a particular situation. This is not a recommendation to buy, sell or hold any particular security.

Collective investment scheme funds are generally medium to long term investments and the manager, Ninety One Fund Managers SA (RF) (Pty) Ltd, gives no guarantee with respect to the capital or the return of the fund. Past performance is not necessarily a guide to future performance. The value of participatory interests (units) may go down as well as up. Funds are traded at ruling prices and can engage in borrowing and scrip lending. The fund may borrow up to 10% of its market value to bridge insufficient liquidity. A schedule of charges, fees and advisor fees is available on request from the manager which is registered under the Collective Investment Schemes Control Act. Additional advisor fees may be paid and if so, are subject to the relevant FAIS disclosure requirements. Performance shown is that of the fund and individual investor performance may differ as a result of initial fees, actual investment date, date of any subsequent reinvestment and any dividend withholding tax. There are different fee classes of units on the fund and the information presented is for the most expensive class. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Where the fund invests in the units of foreign collective investment schemes, these may levy additional charges which are included in the relevant TER. Additional information on the funds may be obtained, free of charge, at [www.ninetyone.com](http://www.ninetyone.com). Ninety One SA (Pty) Ltd (“Ninety One SA”) is an authorised financial services provider and a member of the Association for Savings and Investment SA (ASISA).

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.

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.

The fund is a sub-fund in the Investec Global Strategy Fund, 49 Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, and is approved under the Collective Investment Schemes Control Act.

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.

This presentation is the copyright of Ninety One SA and its contents may not be re-used without Ninety One SA’s prior permission.

Thank you

